

The Macroscope.



1st June 2026

Agenda

1

The End of the “Soft ” World.

2

Investing in a World of Rivalry and Shortages.

3

Investment Opportunities in a “Hard” World.

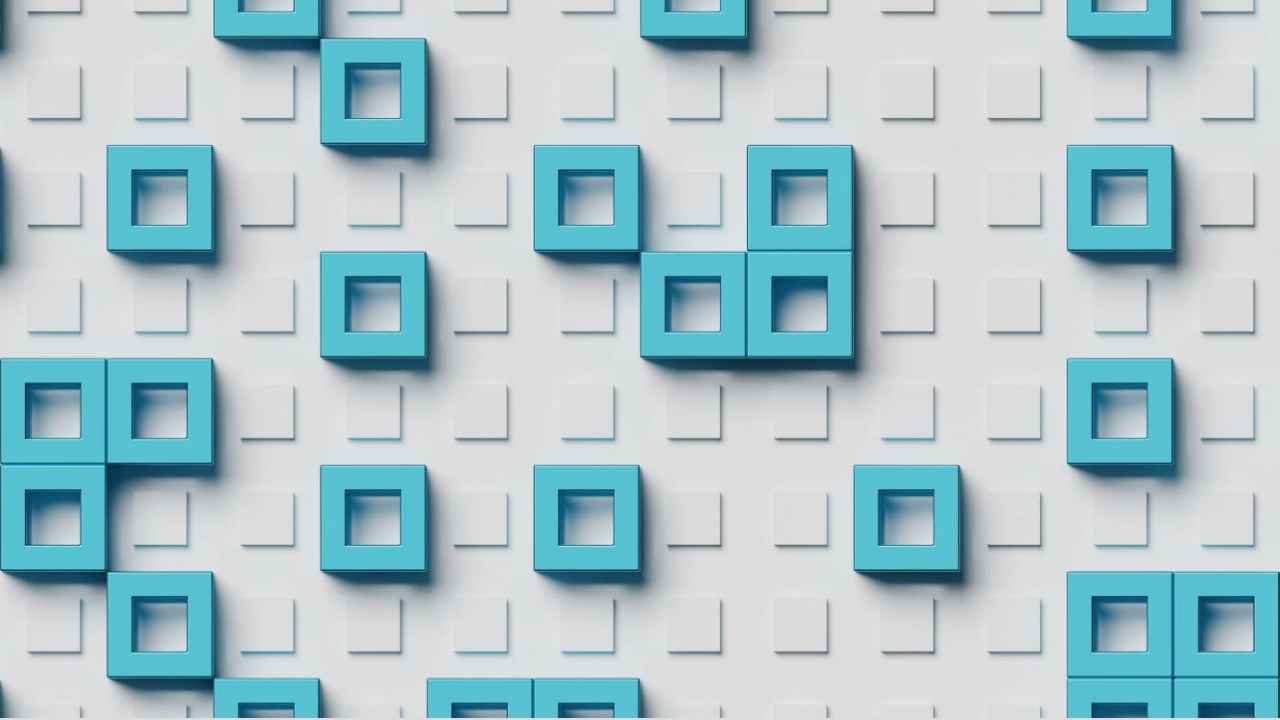
4

Conclusion.

5

Appendix.





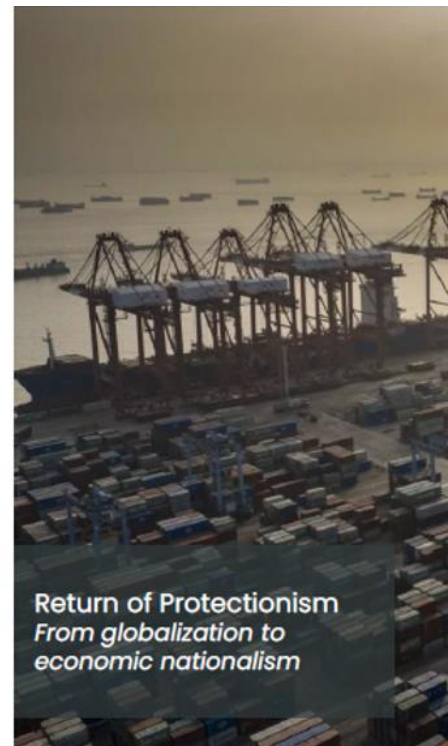
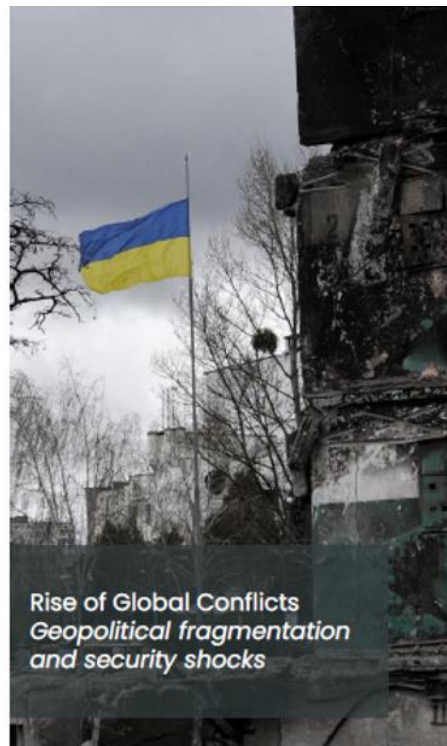
1 The End of the “Soft “ World.



The End of the Soft World.

Looking for a decisive factor of power

Unprecedented global shocks are reshaping economies, industries, and investment priorities



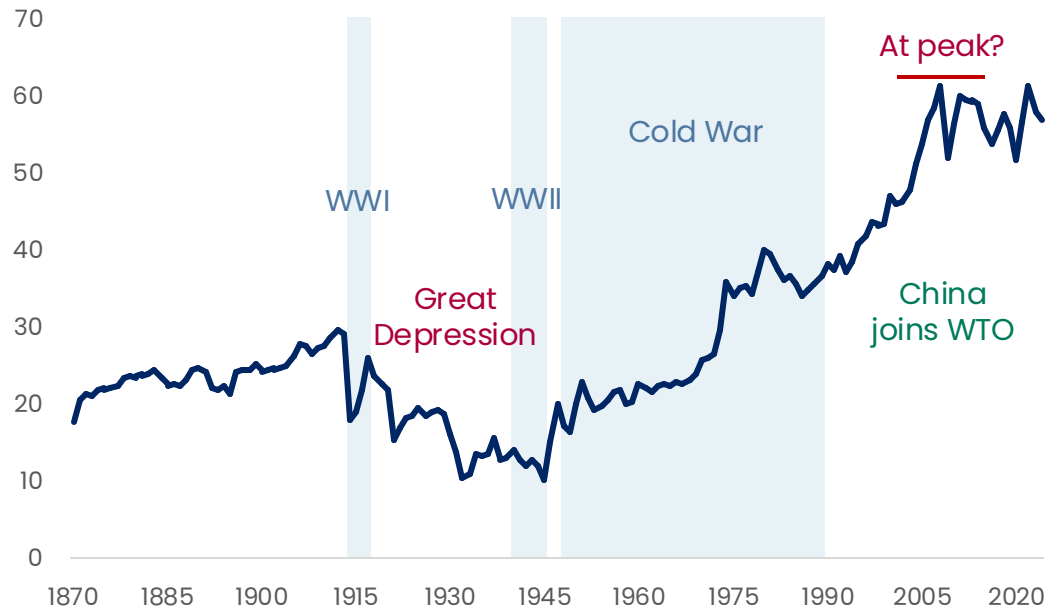
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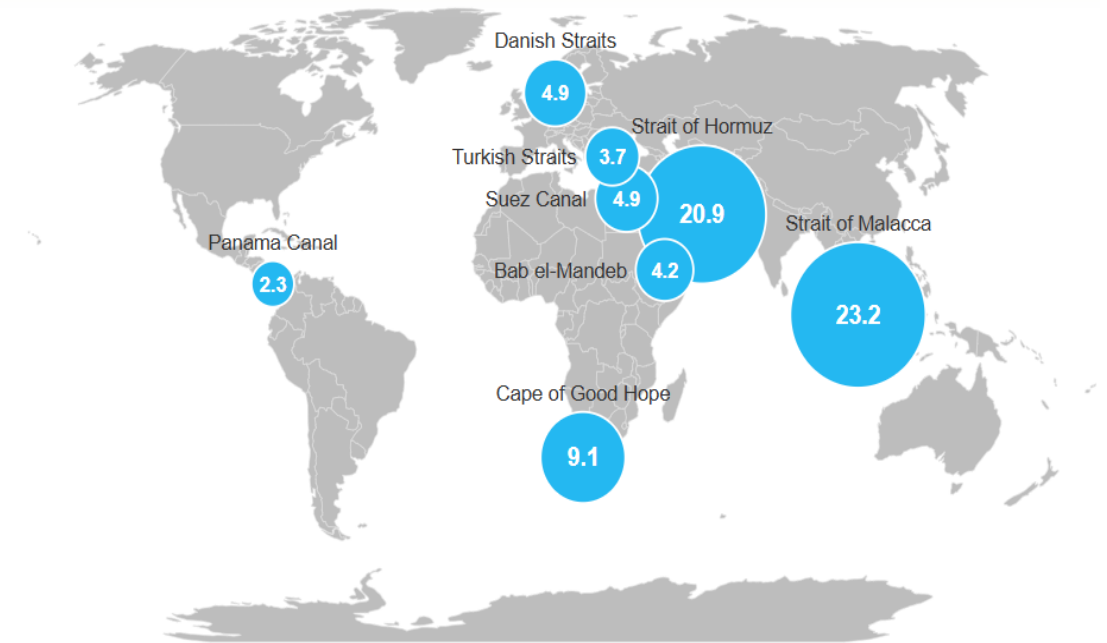
The End of the Soft World.

From open globalization to the control of chokepoints

Interdependence and free trade (as a % of GDP)
dominated the past decades



Physical bottlenecks become a strategic weapon.
World Oil Transit, mbd



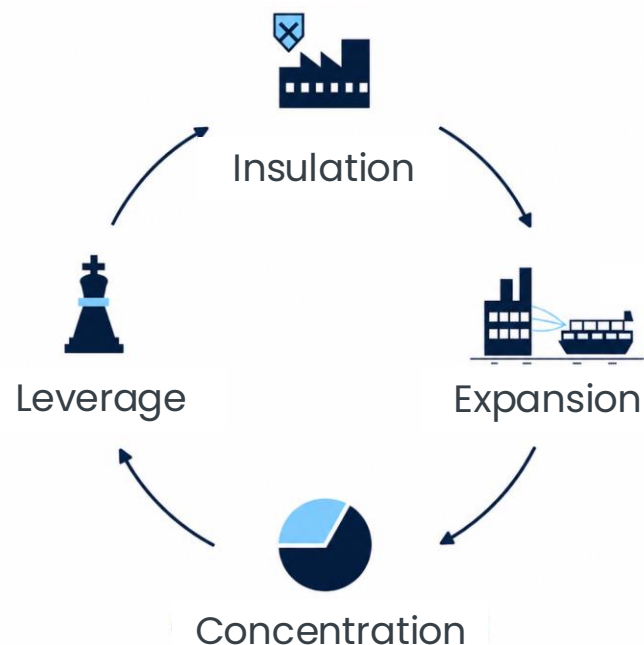
Source: Candriam, World Bank, IMF, Klasing and Milionis Quantifying the evolution of world trade, 1870–1949 (2014), Bloomberg ©All rights reserved



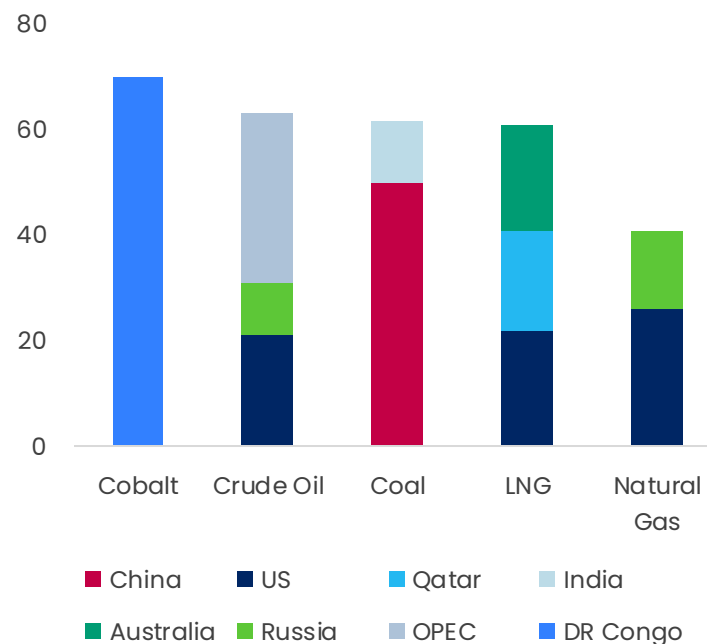
The End of the Soft World.

Disruption risk rises structurally as the world fragments.

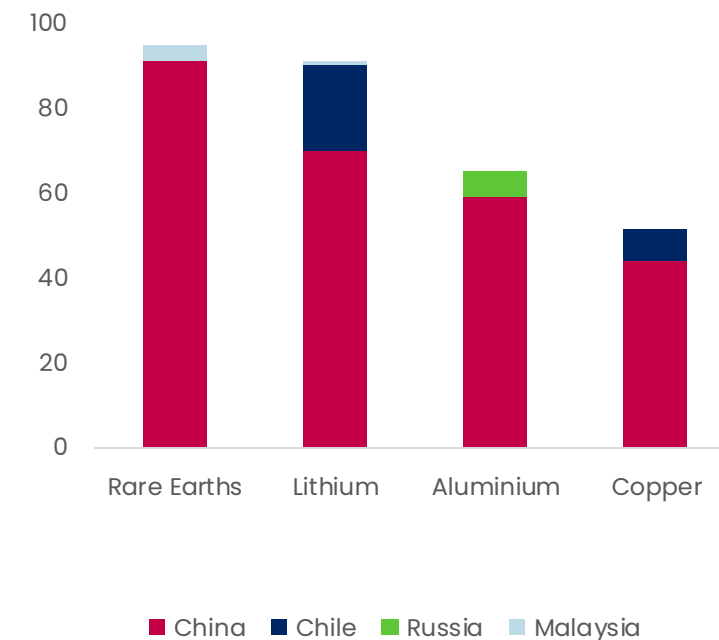
The commodity Control Cycle



Top Producers Share (%)



Top Refiners Share (%)



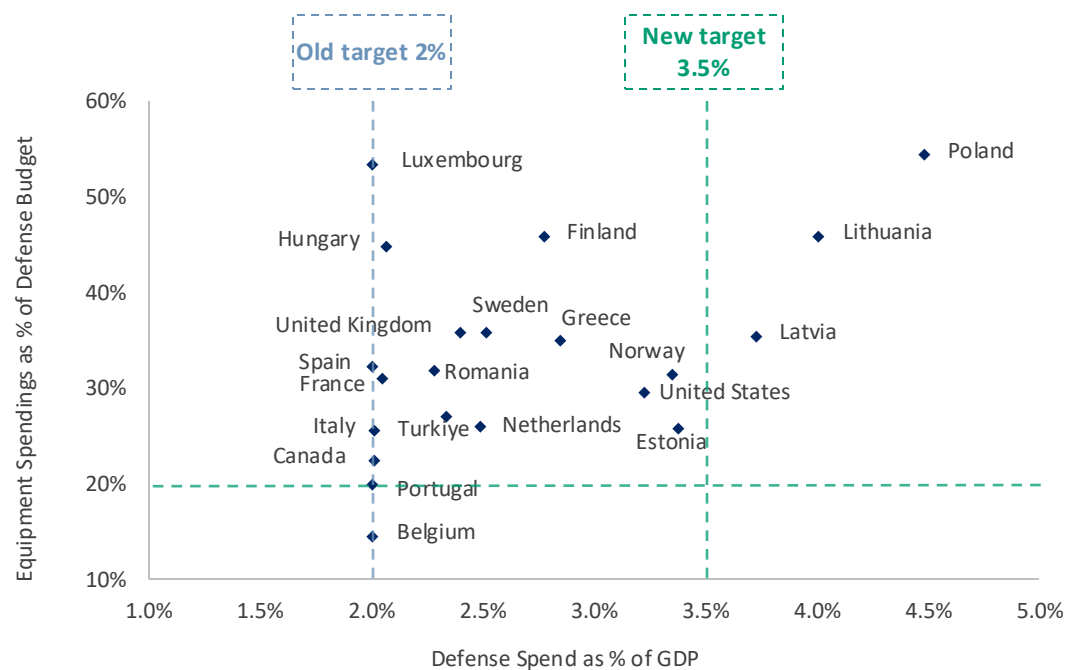
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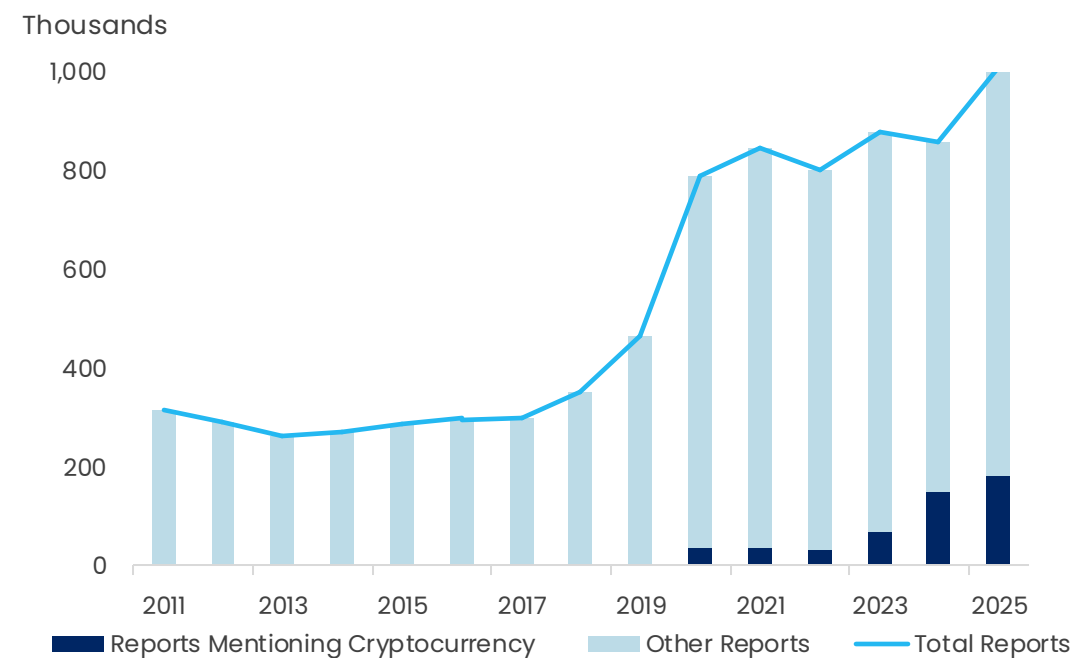
The End of the Soft World.

The security imperative

Rearming, with military equipment in Focus



Cybercrimes reported to the FBI Tripled since the 2010s



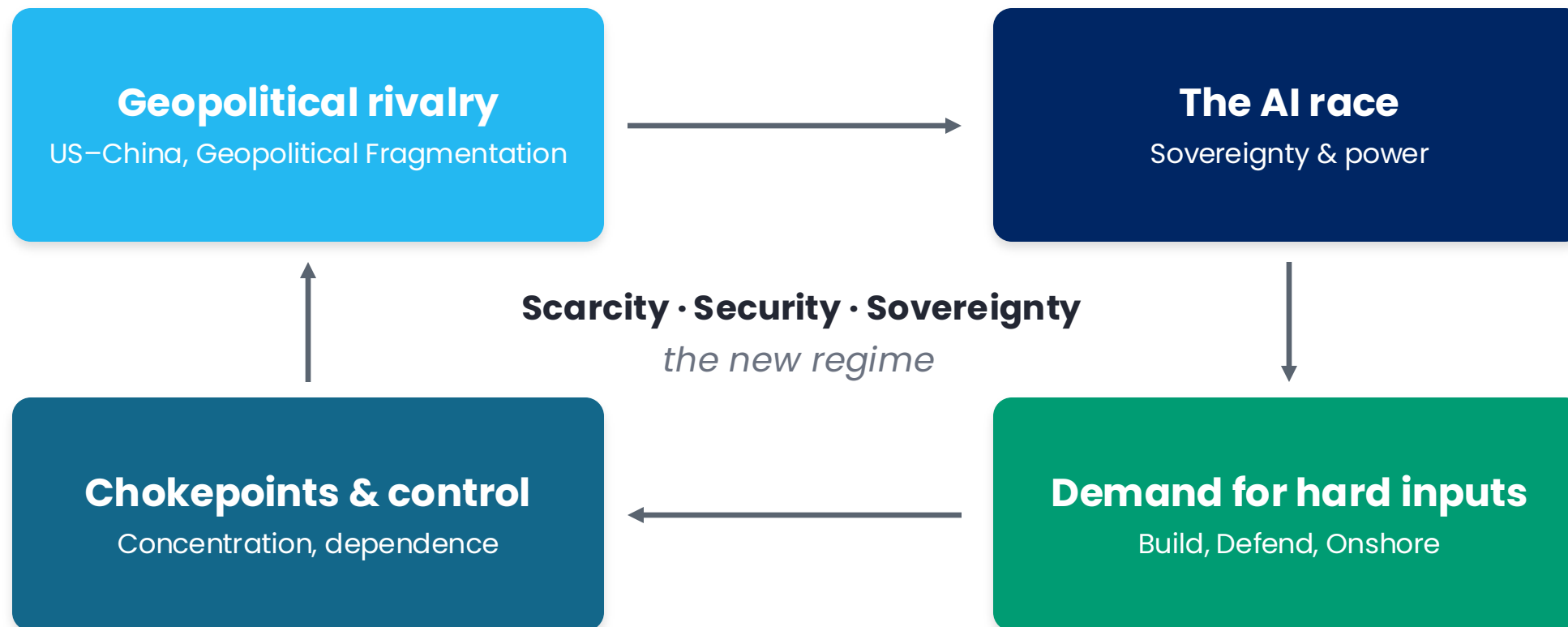
Past performance is no guarantee of future results.

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The End of the Soft World.

Geopolitics and AI: a loop that feeds itself



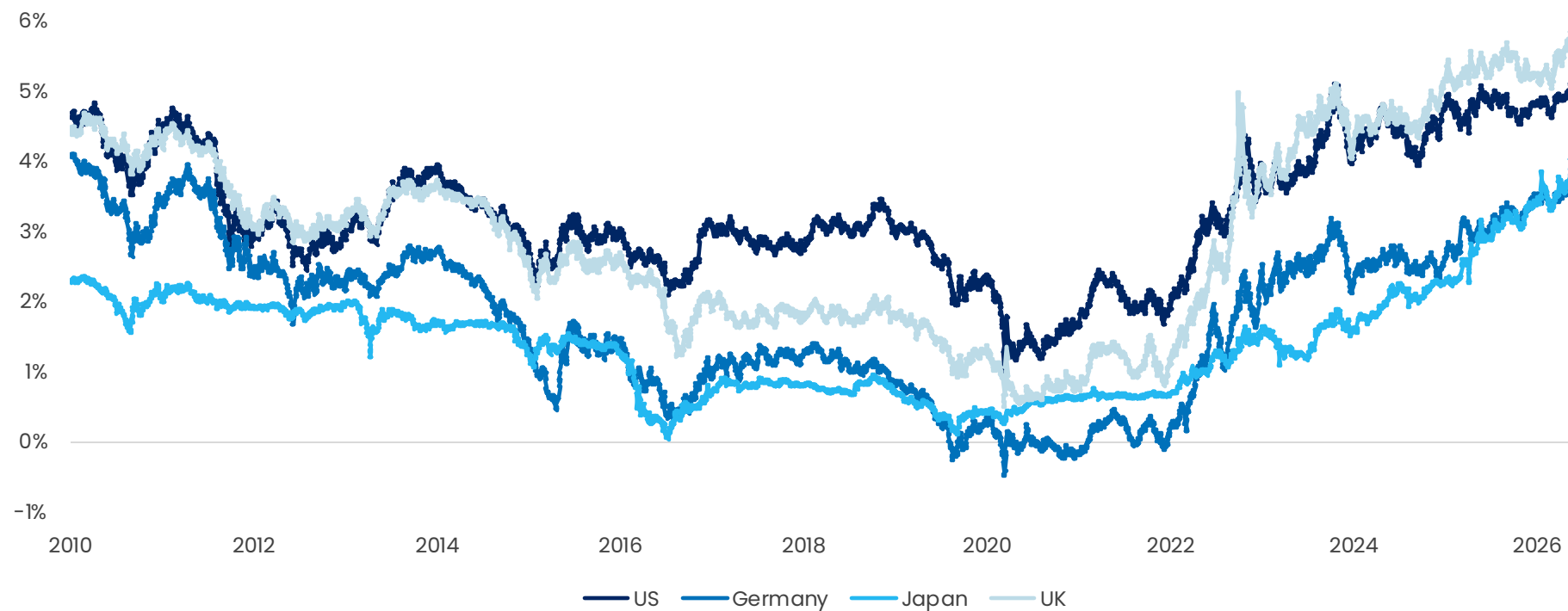
Control of these inputs becomes a strategic weapon — which reignites the rivalry and restarts the loop.



A hard world for markets.

The end of ultra-low interest rates

30y bond yields have risen from their lows



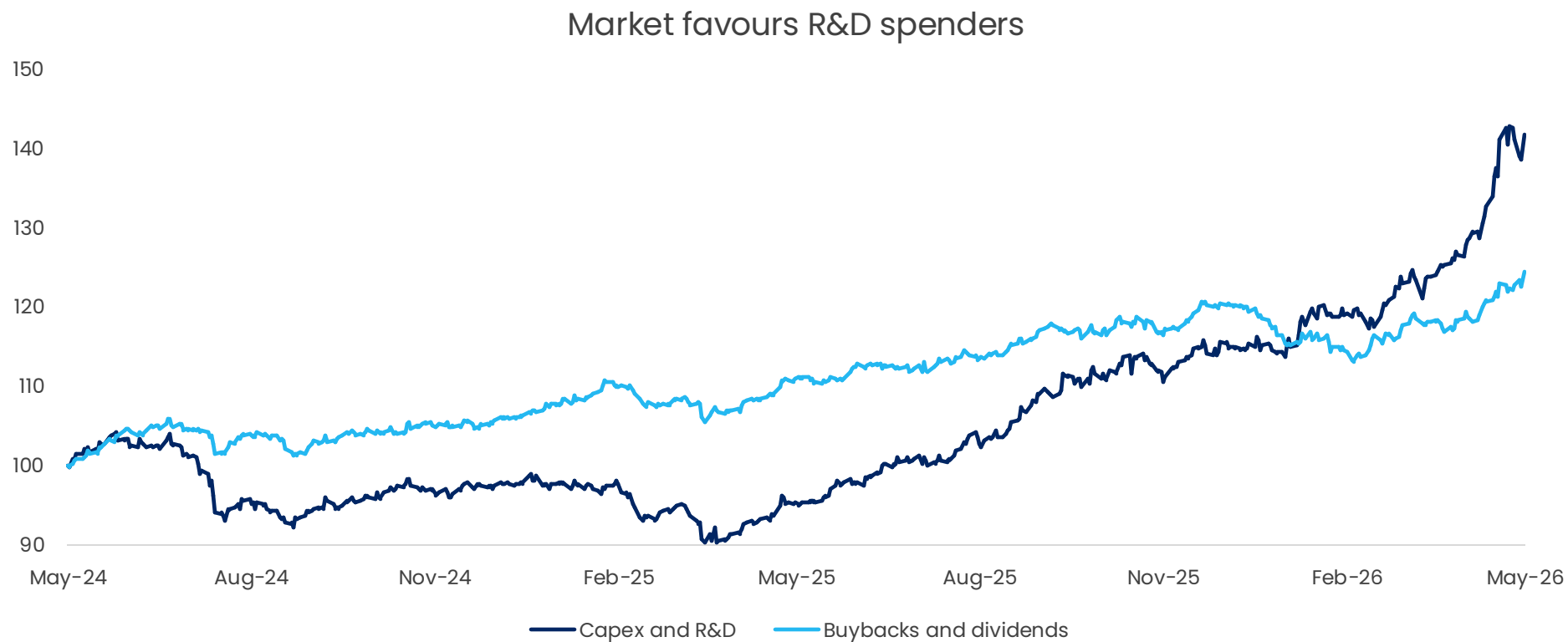
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A hard world for markets.

World rethinks capital allocation



Past performance is no guarantee of future results.

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A hard world for markets.

US Heavy Assets are Bolstering while Light Assets are Falling Out of Fashion



Past performance is no guarantee of future results.

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2 Investing in a World of Rivalry and Shortages.



Hard World, Harder Shortages.

Race to Sovereignty leads to an exponential demand on scarce resources



AI Race

The new arms race — infrastructure at scale

- Chips shortage
- Electricity demand
- Data center construction
- Water & cooling systems
- Rare earth dependency

→ AI CAPEX = COMMODITY SHORTAGE AMPLIFIER



Security

Protecting critical assets & systems

- Cybersecurity
- Defense & deterrence
- Critical infrastructure
- Identity & border control
- Supply chain de-risking

→ SECURING SYSTEMS REQUIRES NEW CAPACITY



Autonomy

Rebuilding strategic sovereign capacity

- Energy production
- Industrial re-shoring
- Technology stack
- Food & water systems
- Capital & healthcare

→ REDUNDANCY = NEW SHORTAGE DEMAND

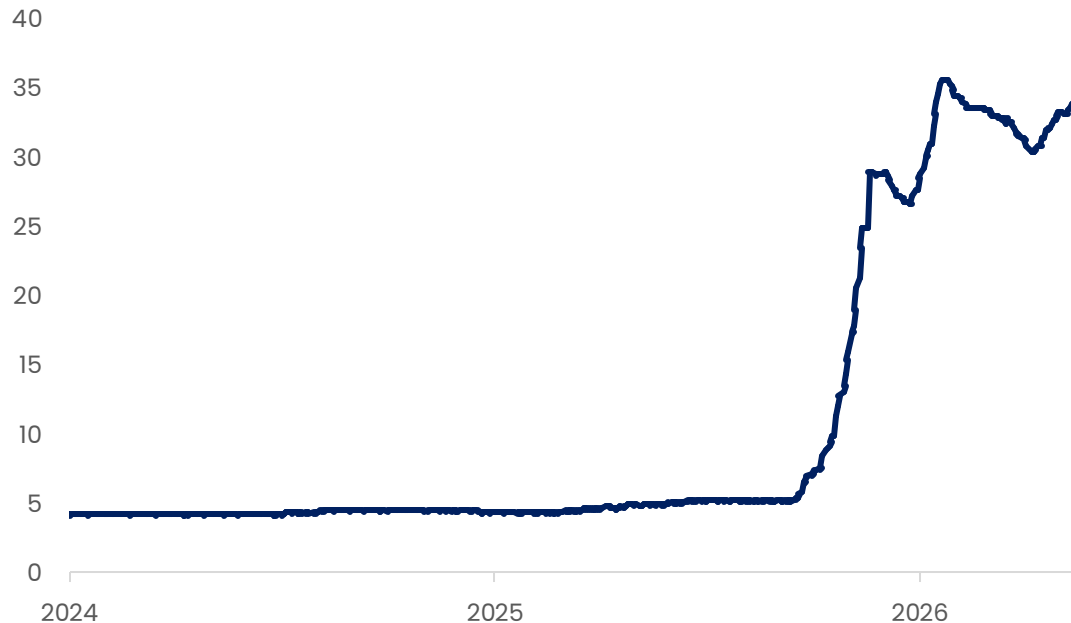
**Source: Candriam*



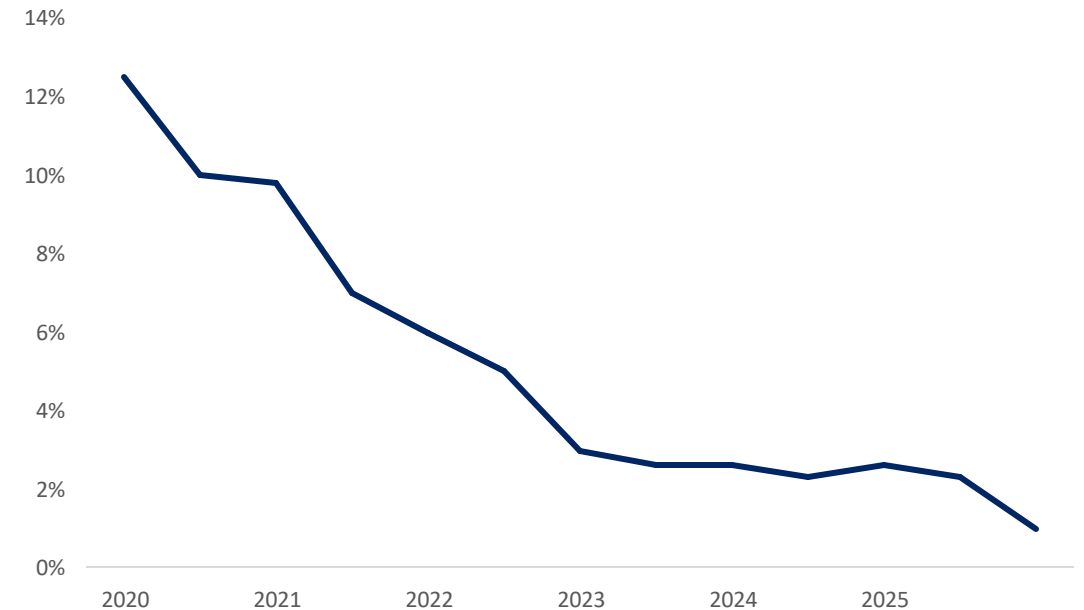
The AI race.

USD 5 trillion to be invested — A Shortage of hardware?

DRAM Prices on a steep slope, USD



Datacenters vacancy rates at historical lows due to demand & strong (92%) precommitment



Past performance is no guarantee of future results.

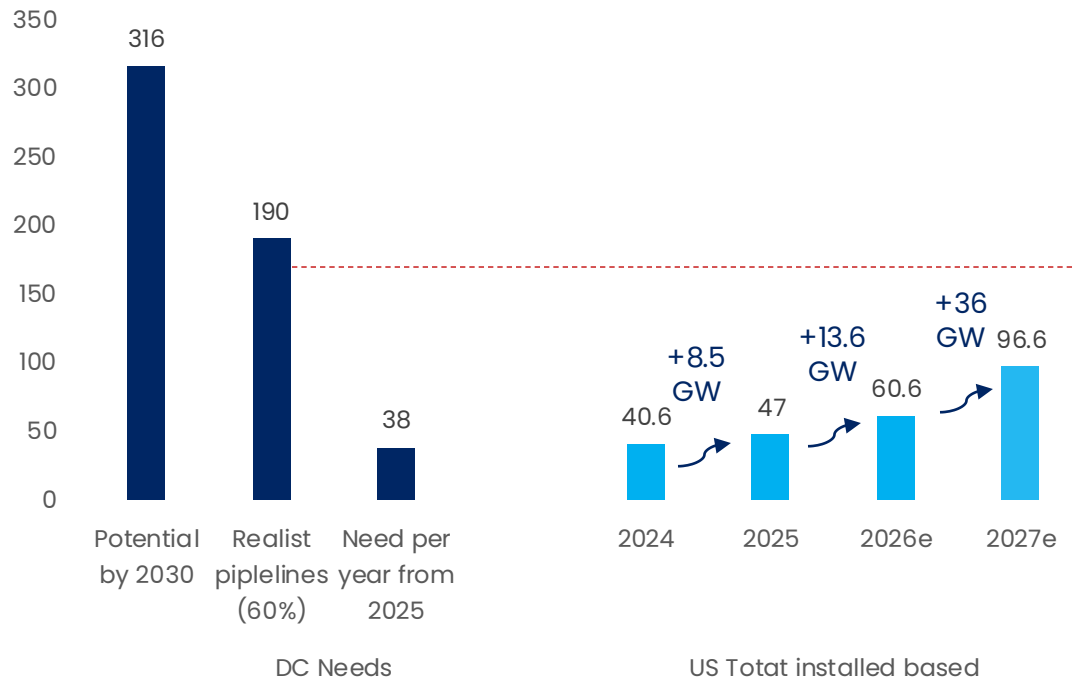
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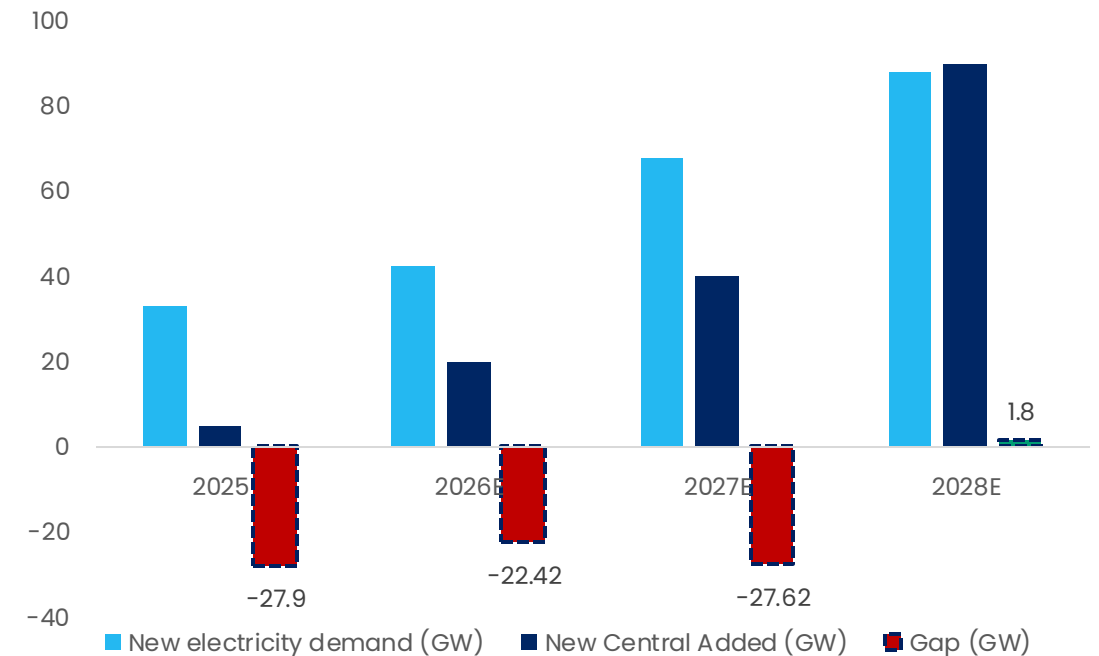
The AI race.

USD 5 trillion to be invested – AI Data Centers & Electricity shortages?

Expectations of +190GW of datacenters capacities by 2030 in the US face numbers of shortages problems, GW



US Electricity demand vs supply: New plants are ordered – but won't be online until 2028, GW



Past performance is no guarantee of future results.

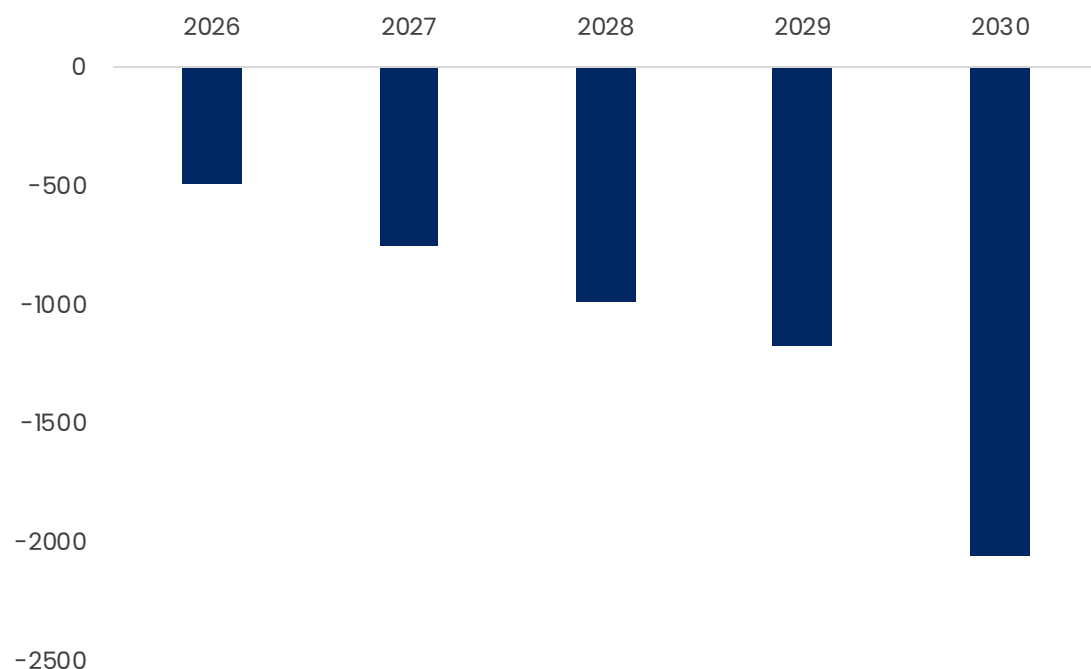
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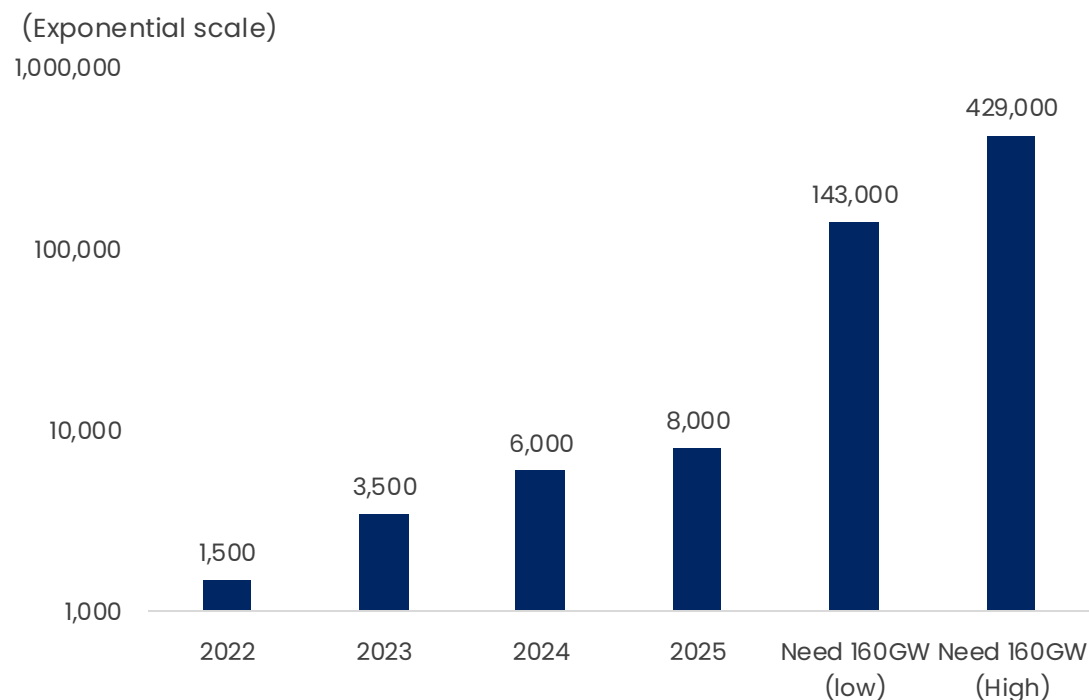
The AI race.

USD 5 trillion to be invested — Copper & Transformers: the two main physical shortages

Copper deficit by 2030: US DC alone will add 0.6Mt to 1.1Mt of Copper demand per year, kt



High Voltage Transformers: main bottleneck leaving some DC ready but unplugged, units



Past performance is no guarantee of future results.

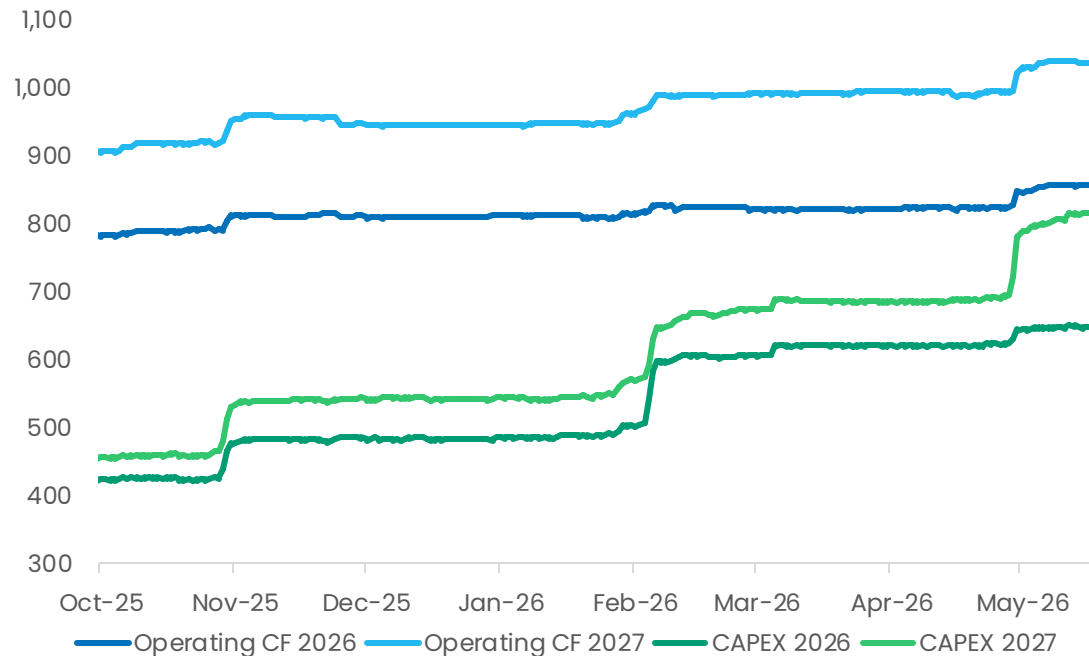
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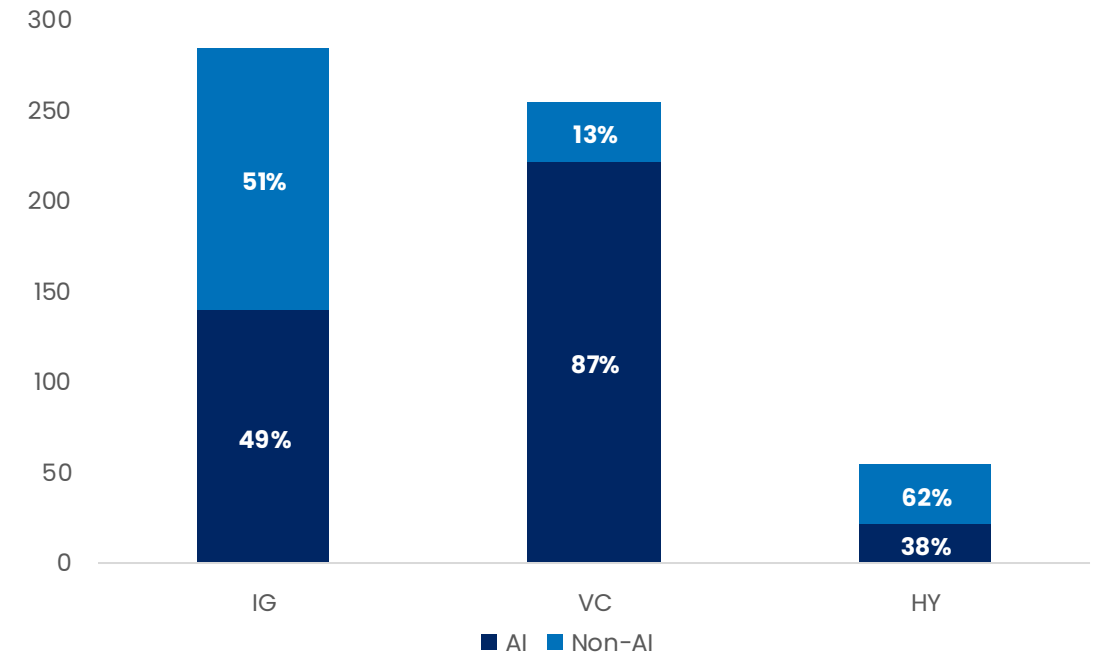
The AI race.

USD 5 trillion to be invested — A Shortage of fundings to finance the future?

Hyperscaler capex continue to be revised upwards for 2026 & 2027, Capex vs Operating Cash flows, USDbn



AI capex is funded by Cash flows, Equities, Credit and Private credit, YtD 2026 Net issuance in USD bn



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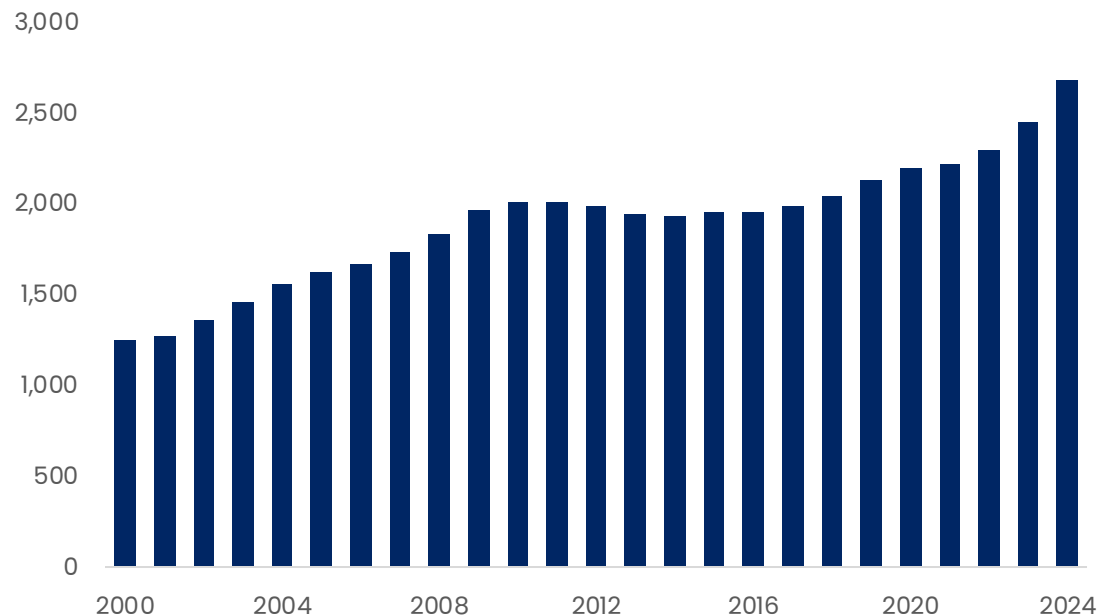
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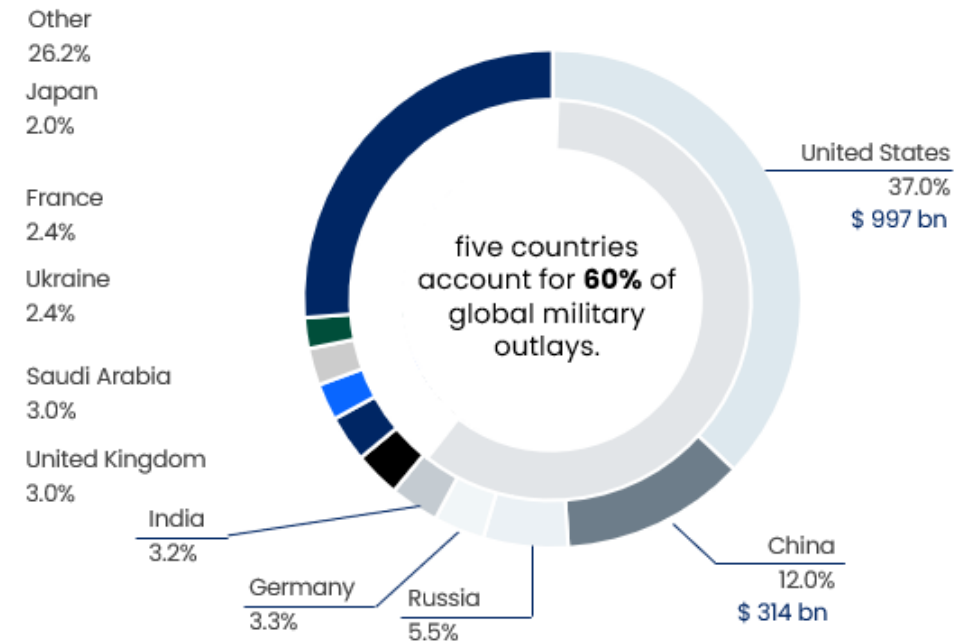
Security.

Defense spending surges worldwide — A shortage of funding?

Security concerns drive record military budgets across major economies, Global Military Expenditures, USDm



Share of world military expenditure of the 10 countries with the highest spending in 2024



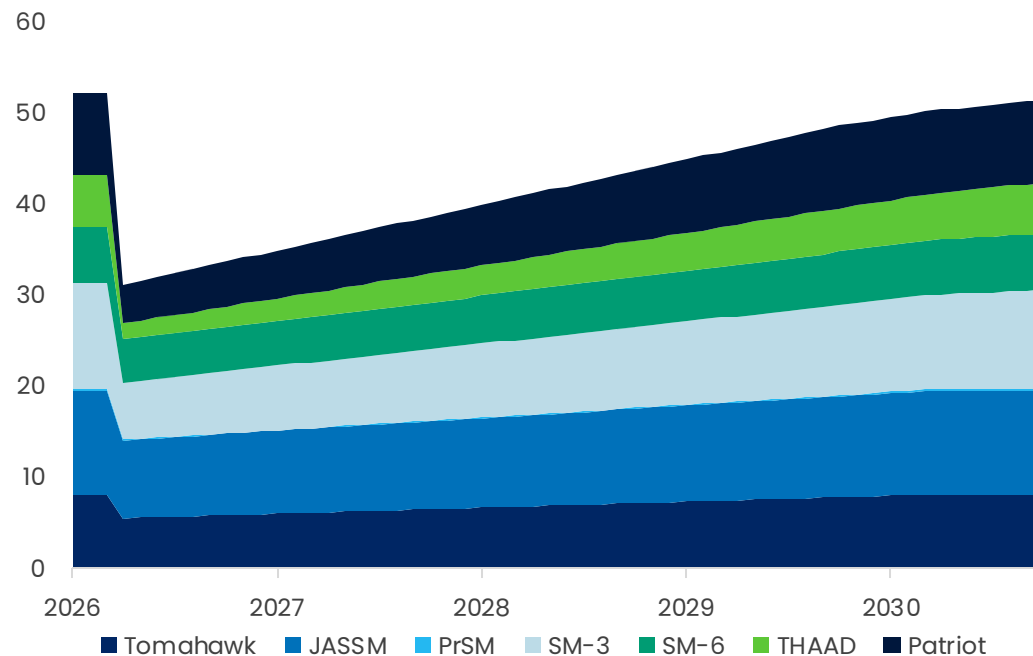
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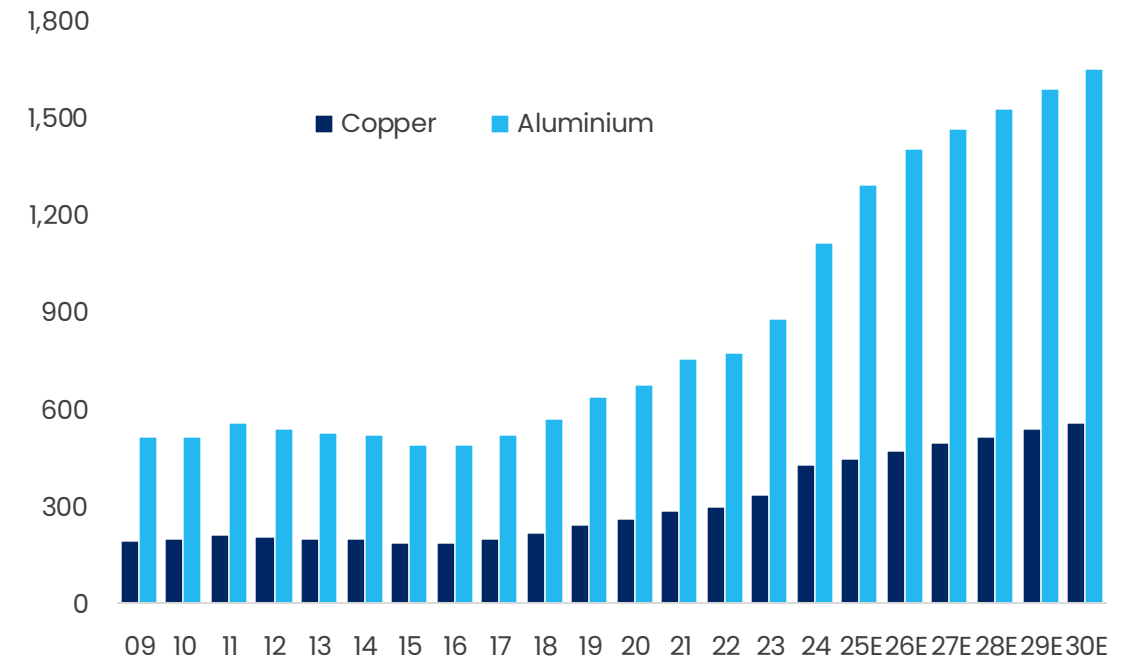
Security.

Defense spending surges worldwide — A shortage of weapons?

Military Inventories have been depleted by geopolitical conflicts (e.g. Operation Epic Fury), USDbn



NATO's spending target and defense budget ramp-up are adding further strain to base-metals supply, kt



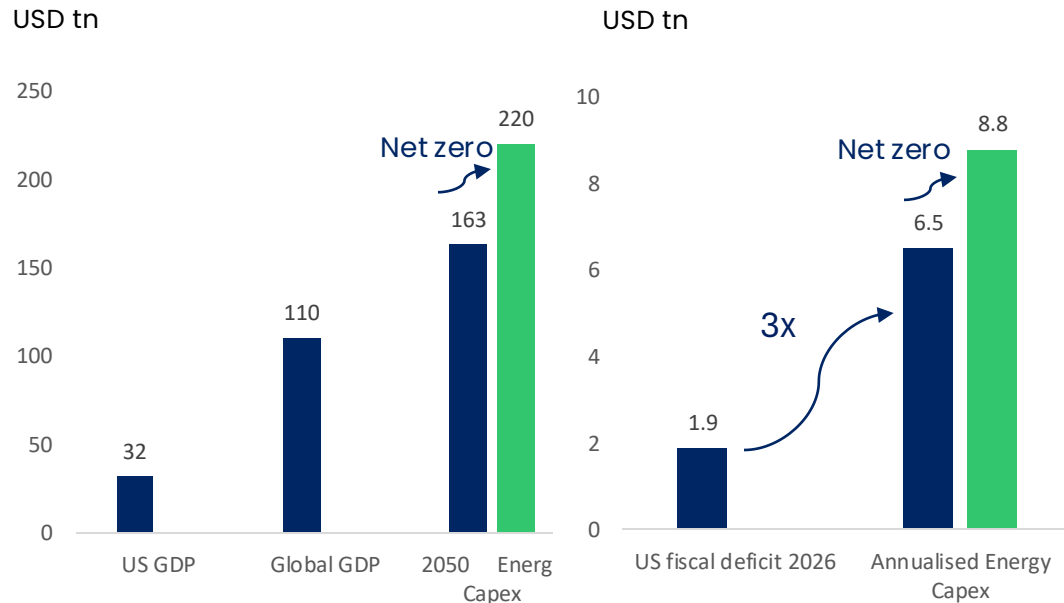
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Autonomy.

Energy and commodity independence. Funding and physical shortages?

USD160tn – USD220tn energy investments ahead



Worst case even worse than expected:
Total Oil inventories post Iran War, in mb



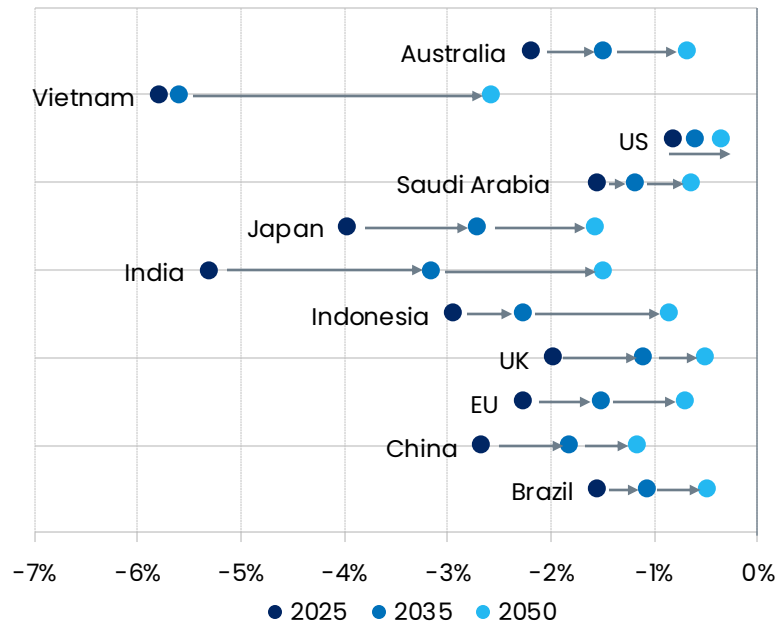
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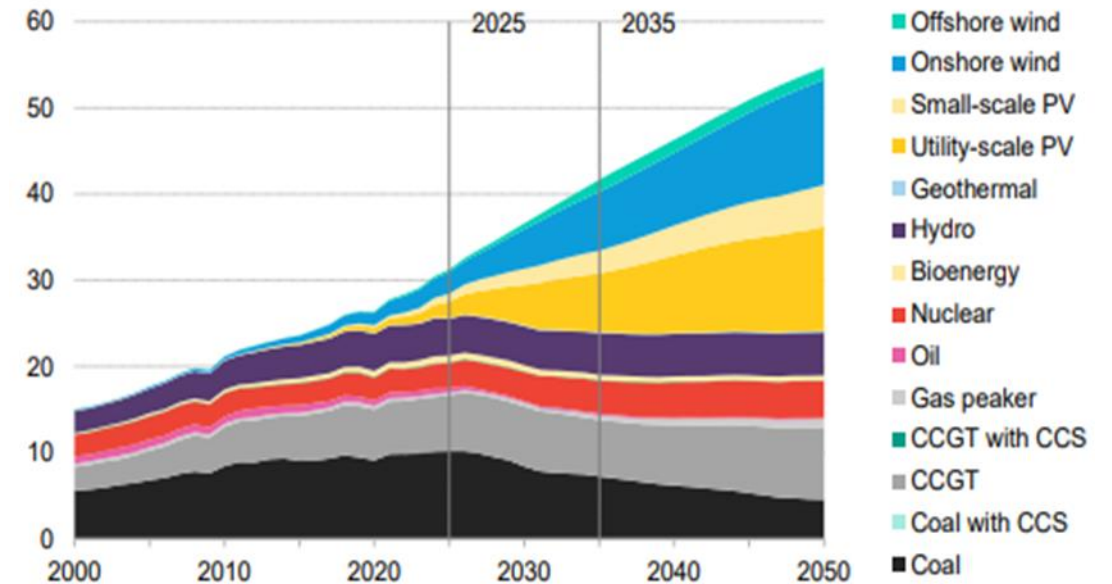
Autonomy.

Respond to a rise in energy demand via sharp rise in local energy technologies

Energy imports as share of GDP are set to decline markedly, real 2025 USD



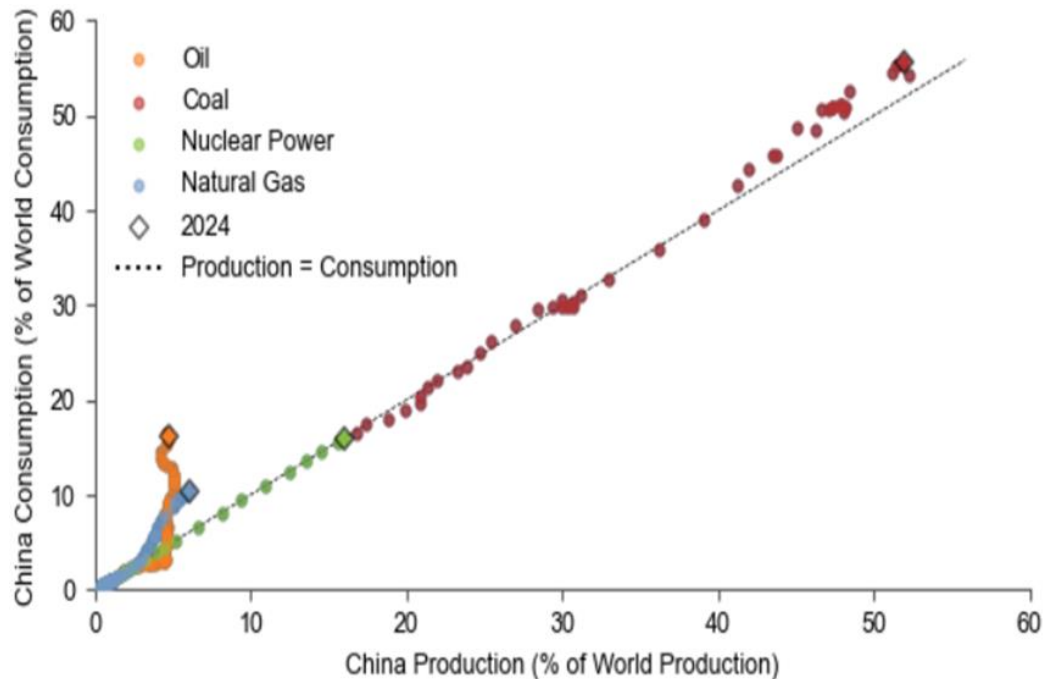
Rise in new energy technologies builds resilience to fossil-fuel price shocks, kTWh



Autonomy.

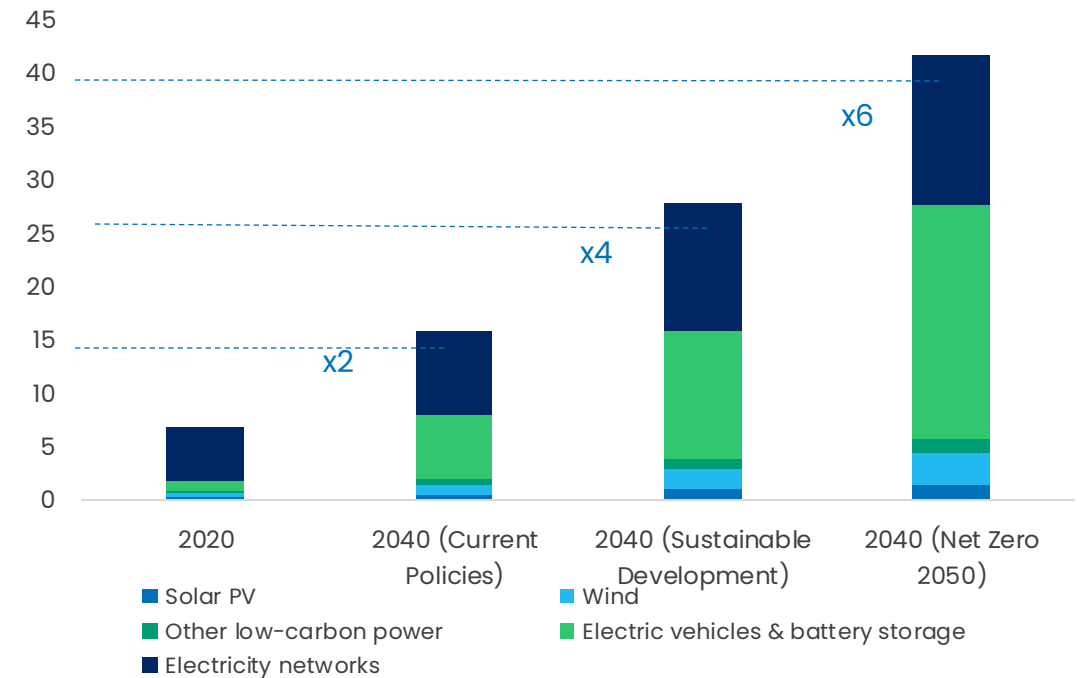
Mitigate shortage of commodities and minerals

A textbook case: China pivoted its energy supply reliance towards what it can control



Sample periods: oil (1965-2024), coal(1981-2024), nuclear power (1993-2024), and natural gas (1970-2024)

Sharp rise in mineral demand while supply fails to keep up, Critical Minerals Demand, mt

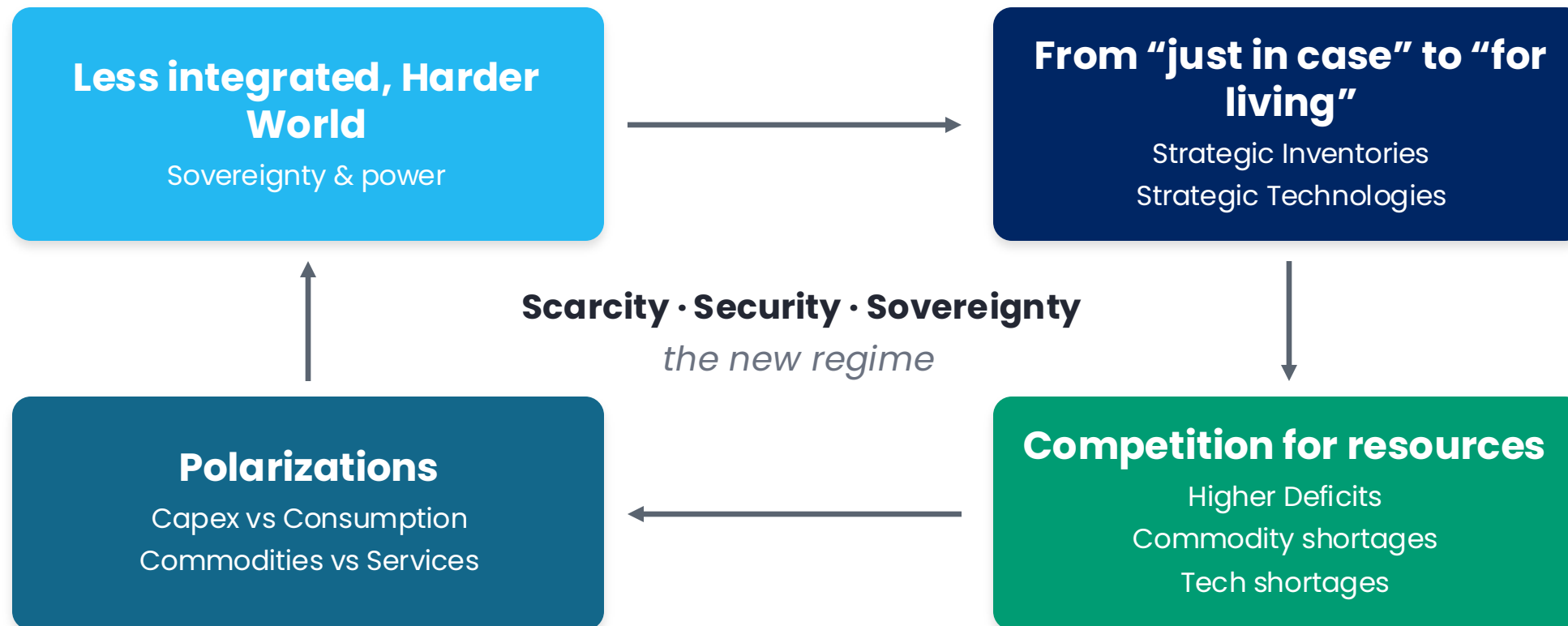


Source: Candriam, Goldman Sachs, Energy Institute, Bloomberg NEF, Bloomberg ©All rights reserved



Investing in a world of Shortages.

A new Investment framework



Source: Candriam





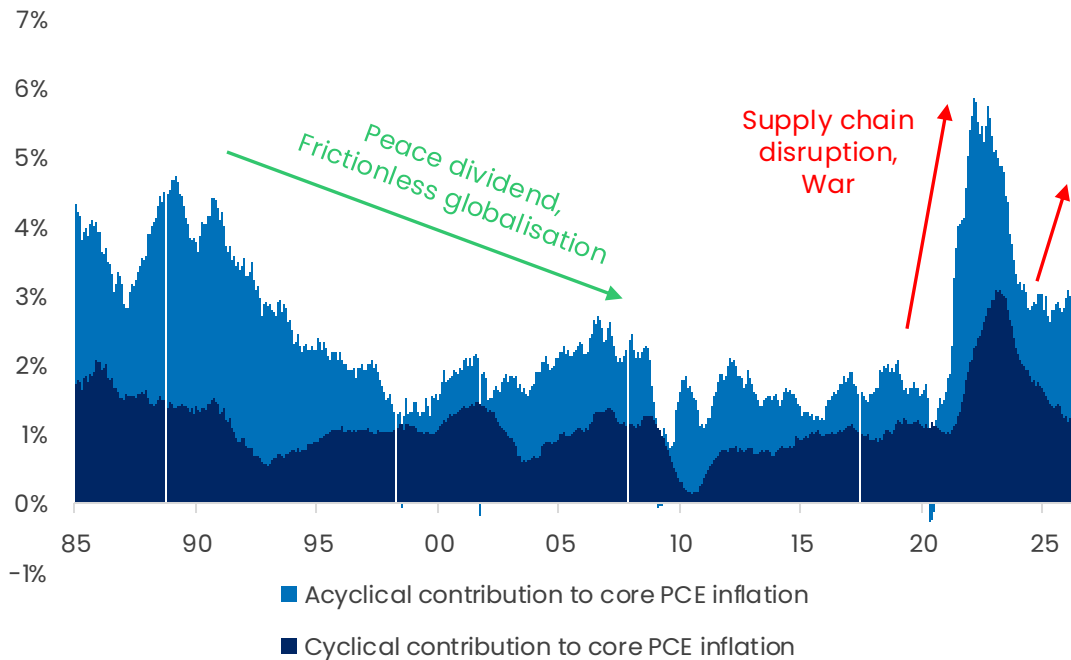
3 Investment Opportunities in a “Hard” World.



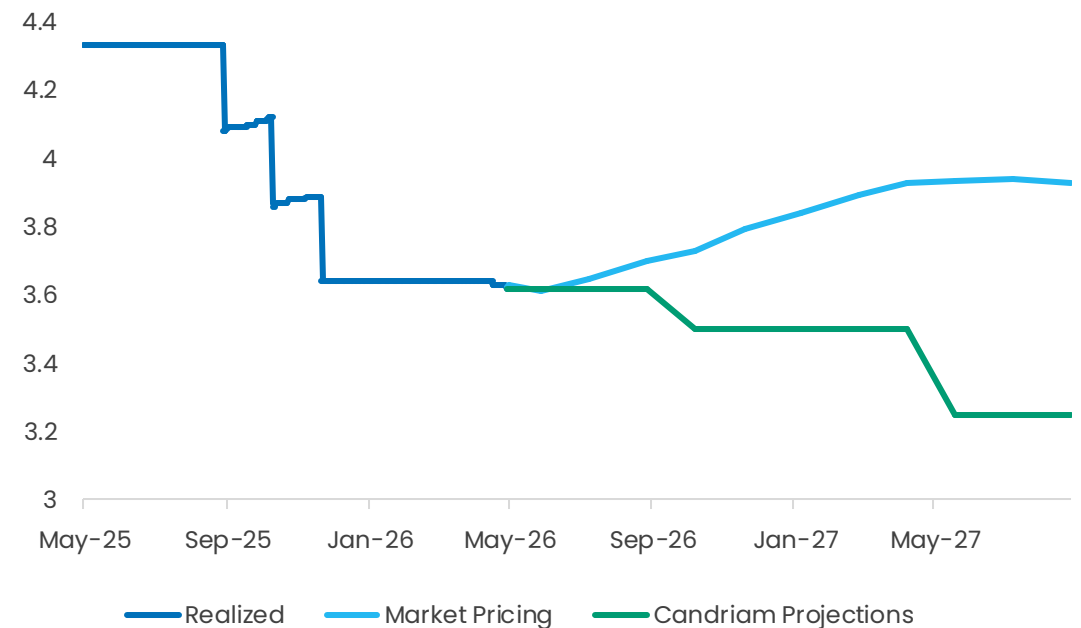
Duration.

Avoid US duration

Shortages, Asset-heavy Capex, Protectionism and Deficit spending are putting upward pressure on prices



Market is pricing in a more restrictive FED reaction function, %



Past performance is no guarantee of future results.

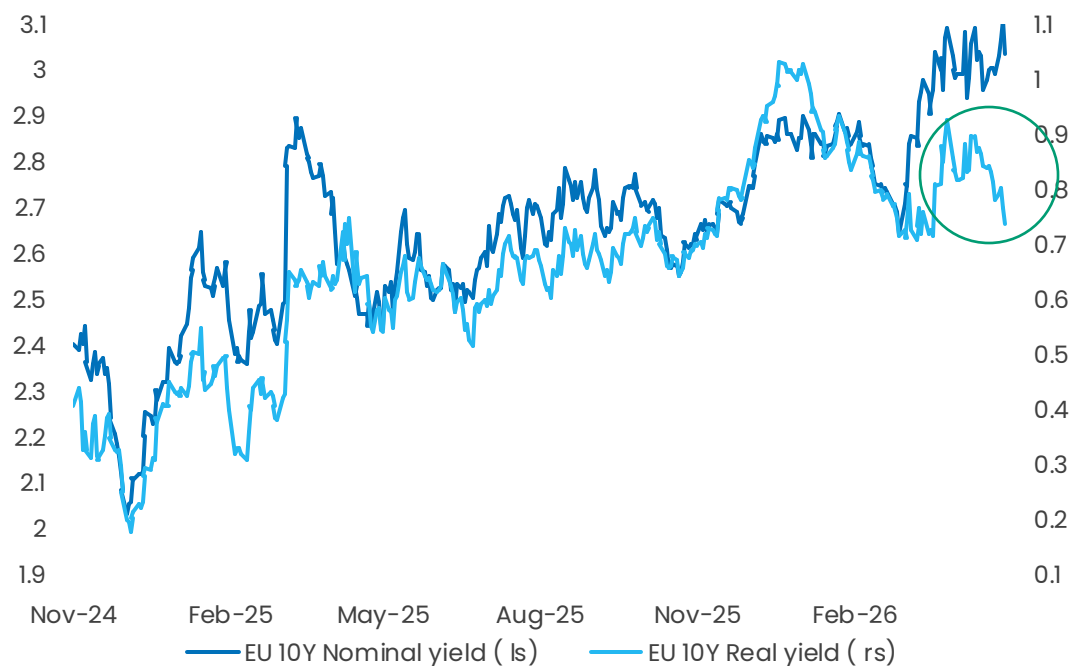
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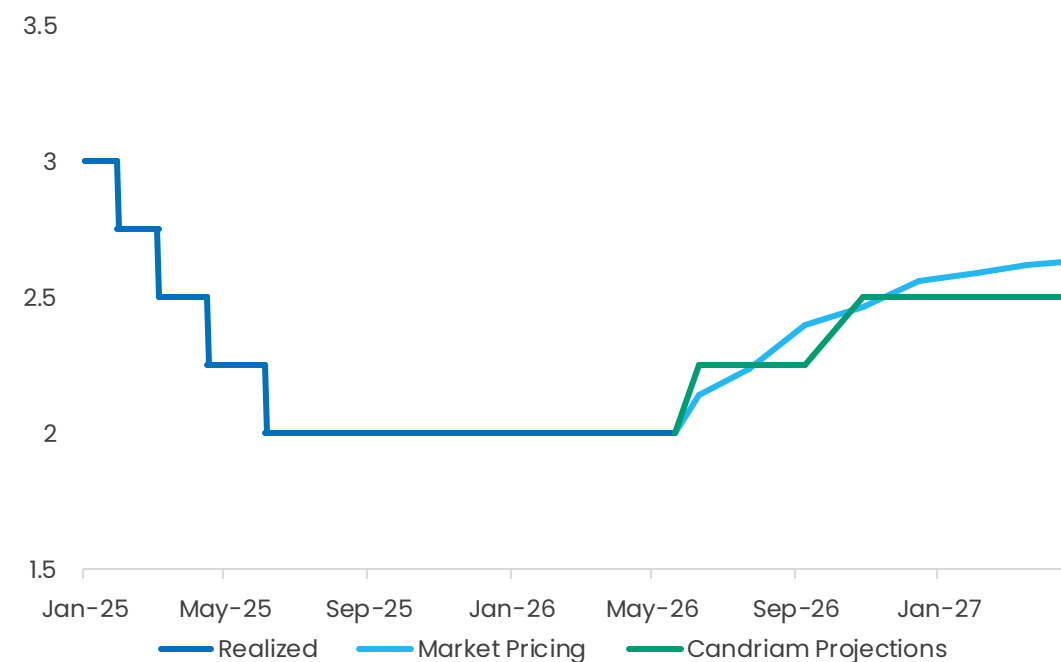
Duration.

Constructive on European duration

Real Yield already decreasing due to lower growth perspective and less AI benefits, %



ECB front-loading hikes creates room for cuts later, %



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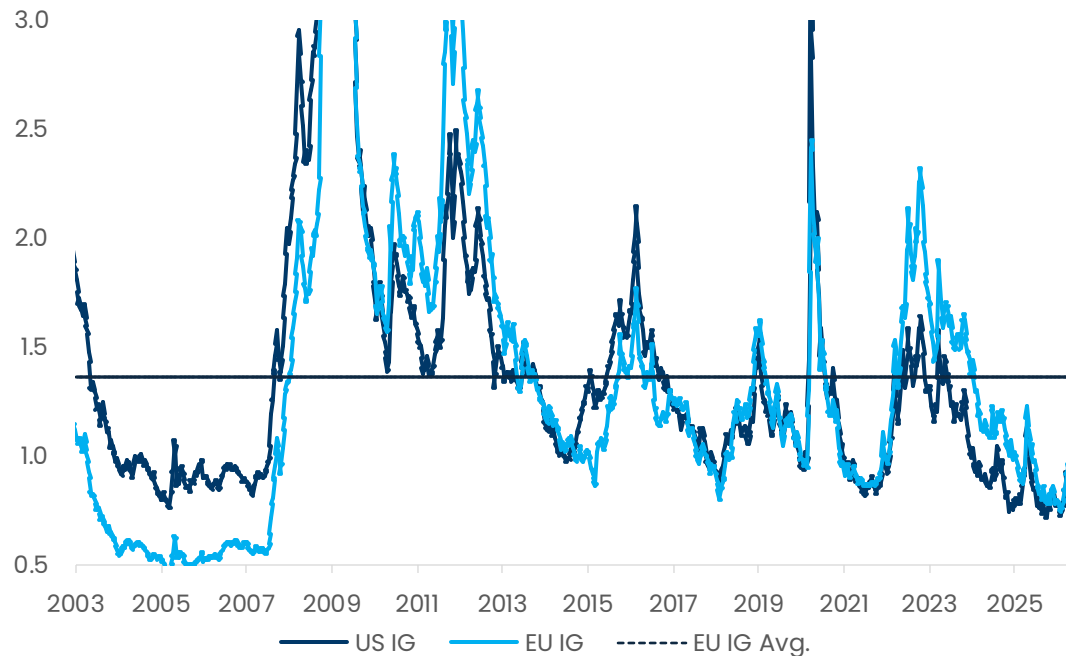
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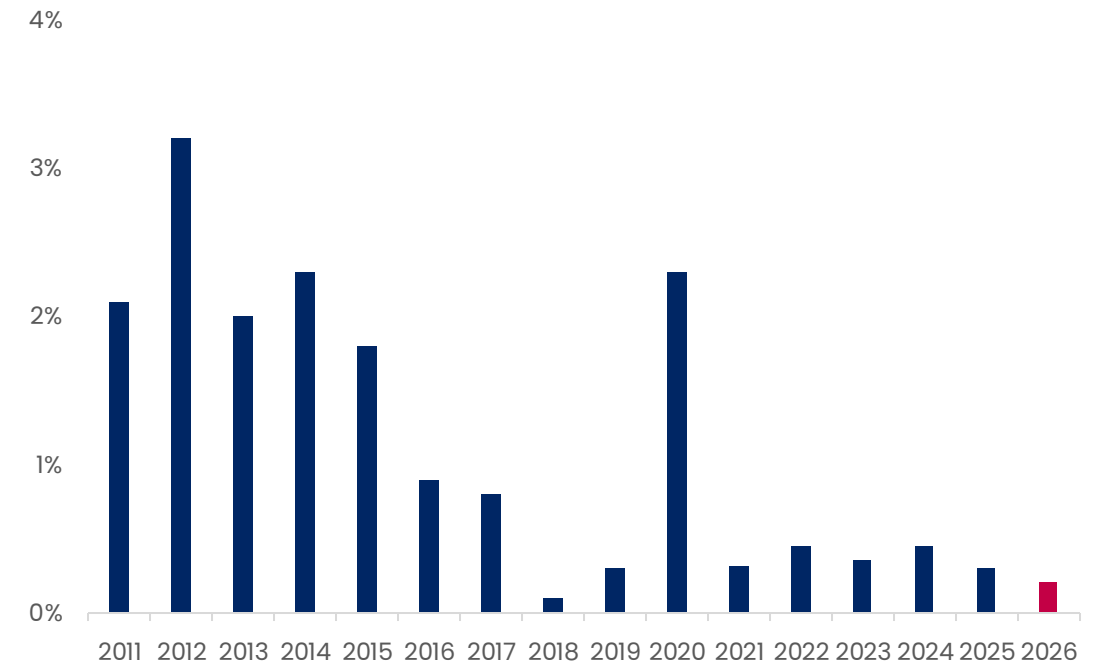
Credit.

Investment Grade Credit – Tight levels

Spreads below levels seen prior to the war,
IG Index – OAS



Euro Investment Grade Fallen Angel Rate already at
same level than in 2025



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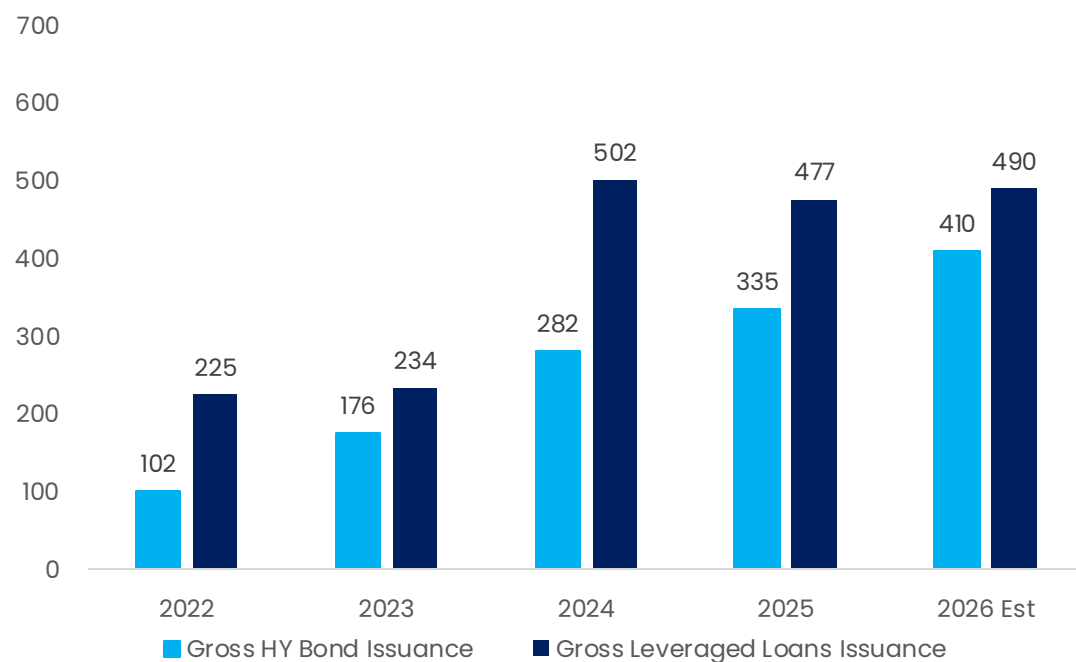
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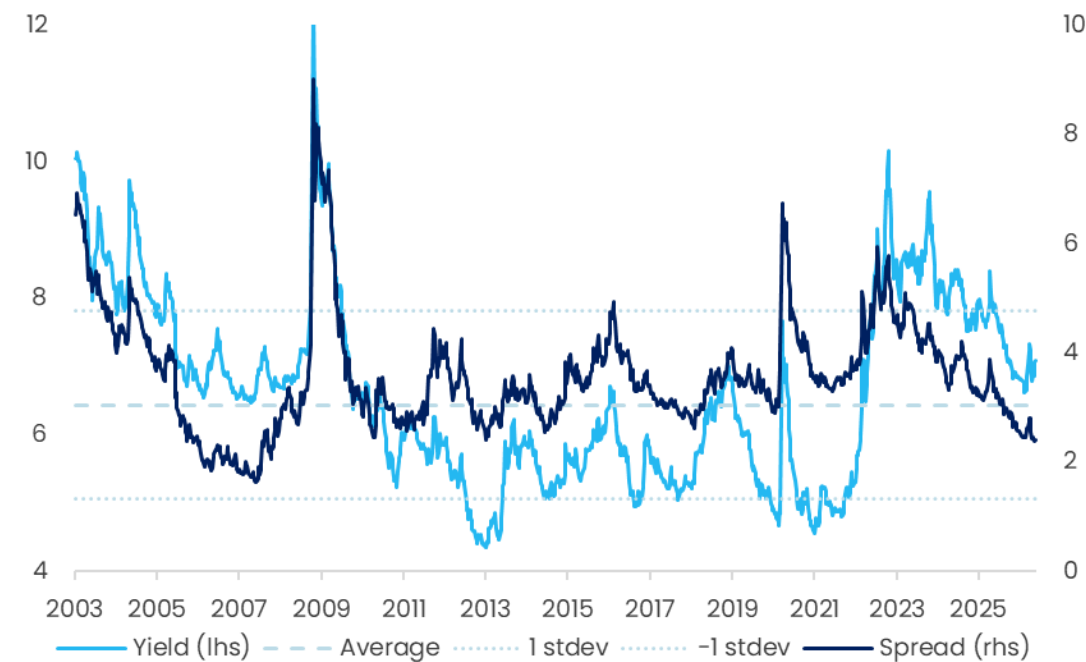
Credit.

Negative US High Yield / Prefer Emerging LC

Negative US High Yield – an increase of 22% expected, including rise in AI issuance



Emerging Market Local Currency Debt best relative carry, Yields and Spreads in %



Past performance is no guarantee of future results.

Source: Candriam, JPMorgan, Bloomberg ©All rights reserved



Equities.

Global preference for sectors benefiting from the switch to Capex

Infrastructure & Energy demand



GEV: "Data center orders for Q1 = \$2.4bn > FY2025"



NEE: "Electricity demand ... **accelerating**"



TSLA: "Very **significant increase** in capex"

Business models shifting to compute usage



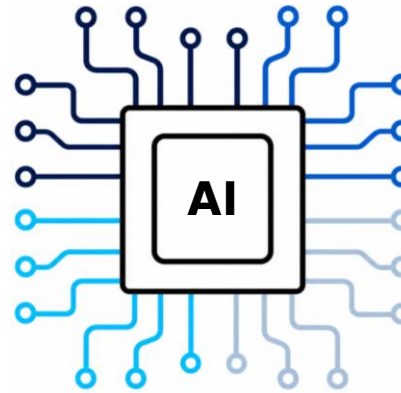
NOW: "50% of new business ... from **tokens/infrastructure**"



MSCI: "Relentless adoption of **Agentic AI**"



DHR: "AI = **growth accelerator** for Pharma & Biotech"



Semiconductor & compute capacity under strain



SK Hynix: "Next 3 years demand far **exceeds supply capacity**"



LRCX: "AI demand ... **as strong as ever**"

AI augments labor, not just replaces it



MSCI: "More data... **same headcount**"



GEV: "Tens of thousands of **hours freed**"



COF: "where AI workers can do more, **demand actually goes up**"



AXP: "Jobs shift, but **new jobs created**"

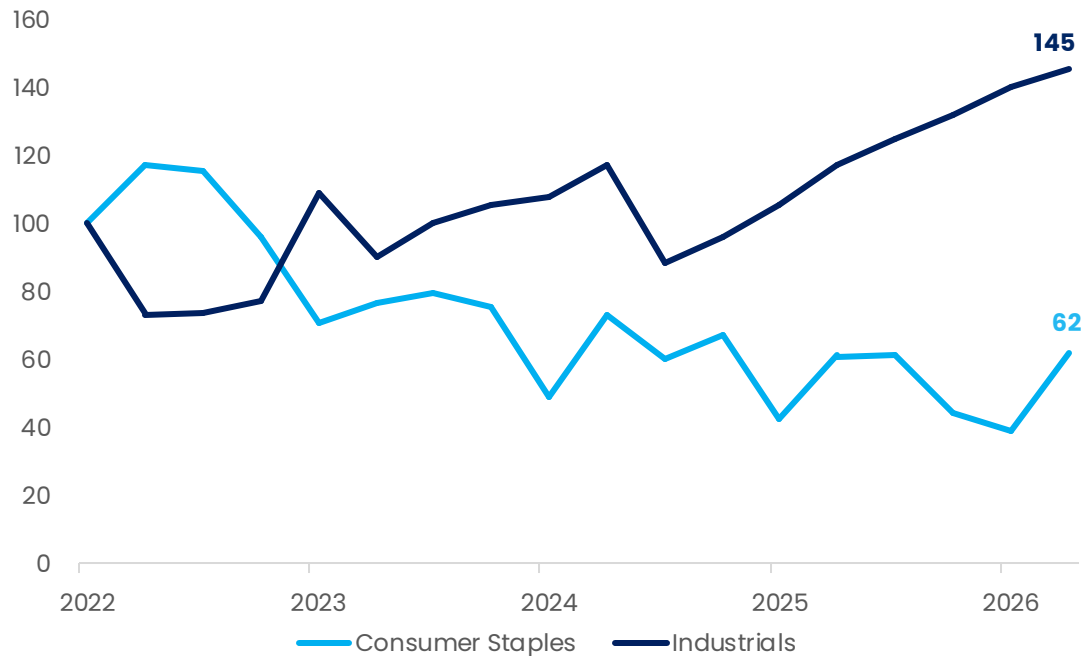
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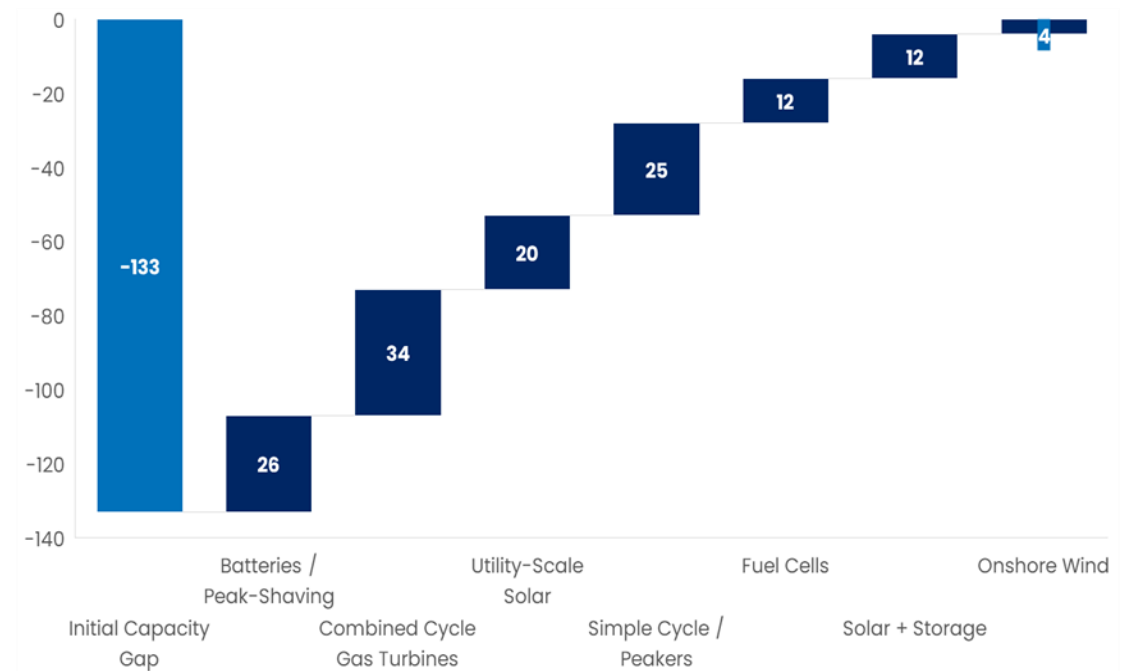
Equities.

Industrials – Global preference for sectors benefiting from the switch to Capex

The capex era: Industrials in, Consumer out, US Sectors 5Y backlog evolution, 100=2022



Power generation capacity additions by 2030 are spread across a broad range of solutions, GW



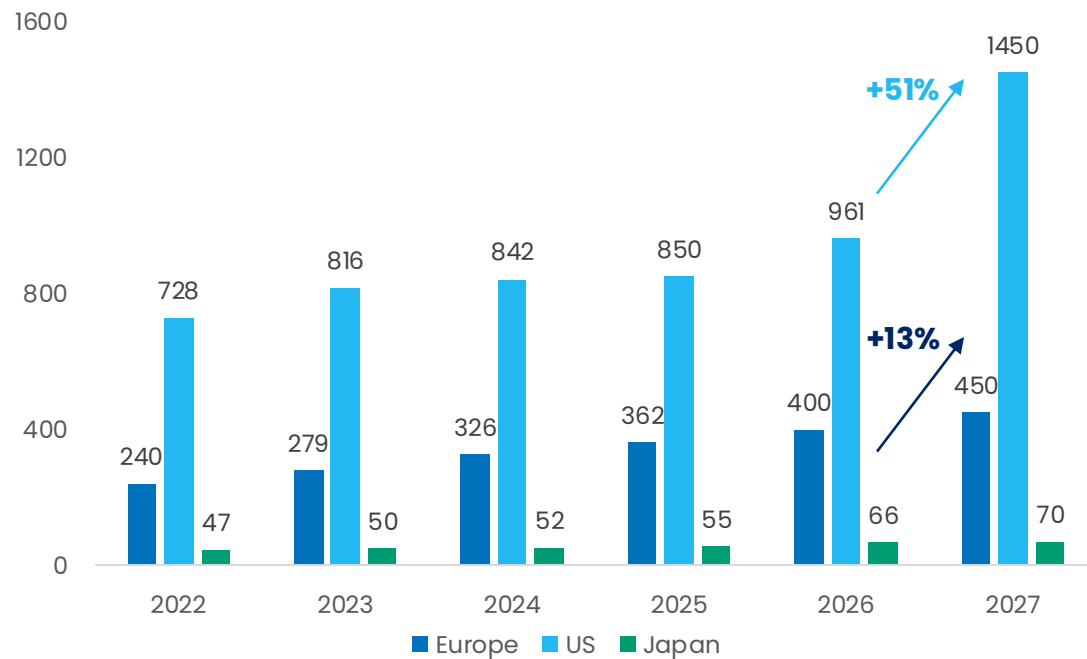
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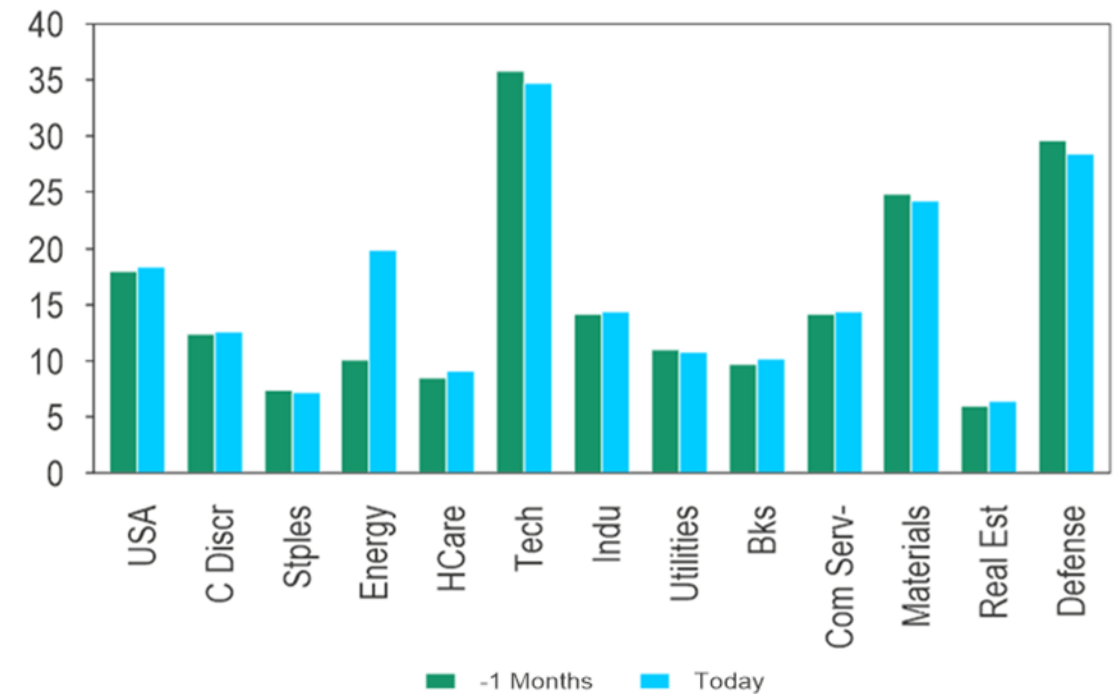
Equities.

Defense – A correction despite a structural theme

A compelling outlook, European & US Defense spendings



Stellar earning growth, MSCI USA 12m fwd EPS Growth



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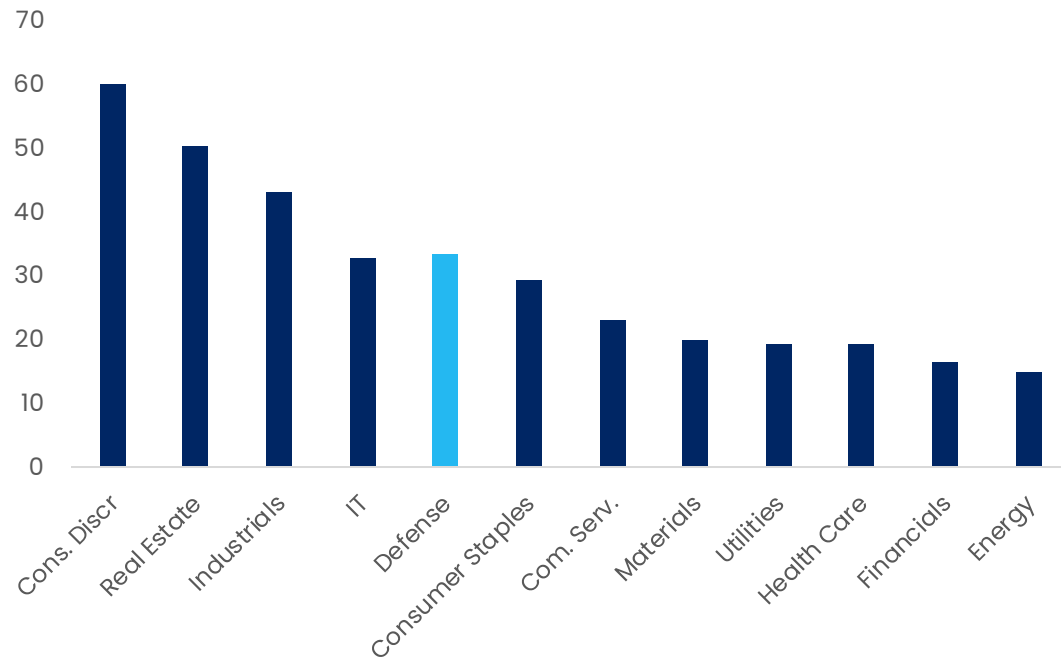
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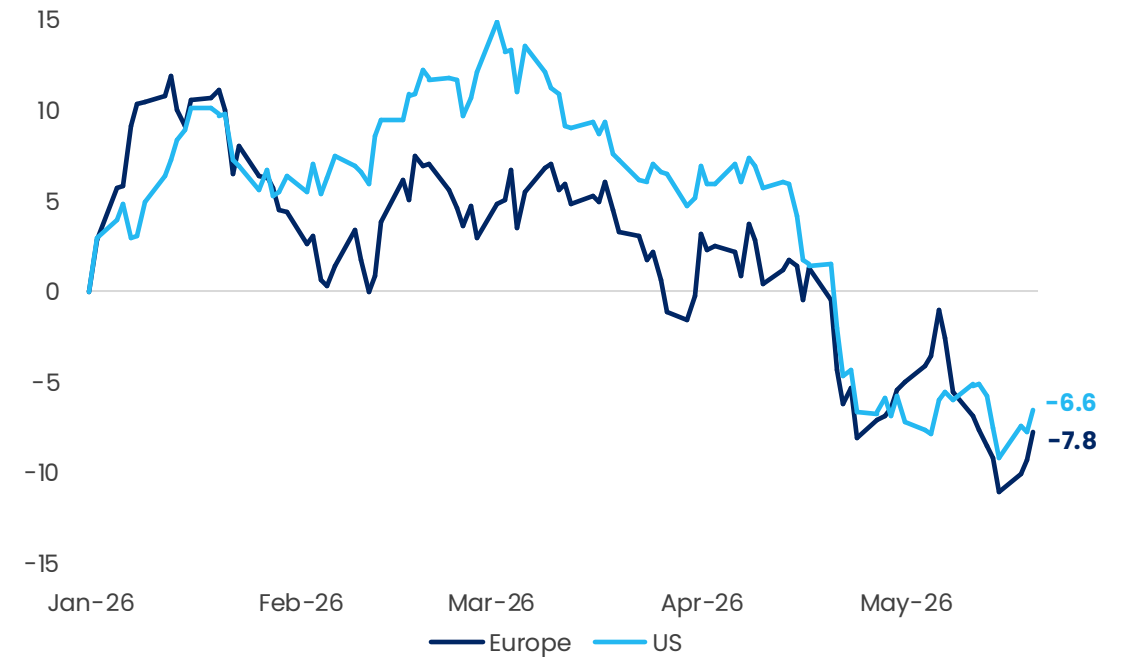
Equities.

Defense – A correction despite a structural theme

Relative to other sectors, Defense is not expensive, MSCI USA 12m fwd PE



A Sharp underperformance of Defense since the beginning of the war, MSCI US & EU YTD Rel. Perf.



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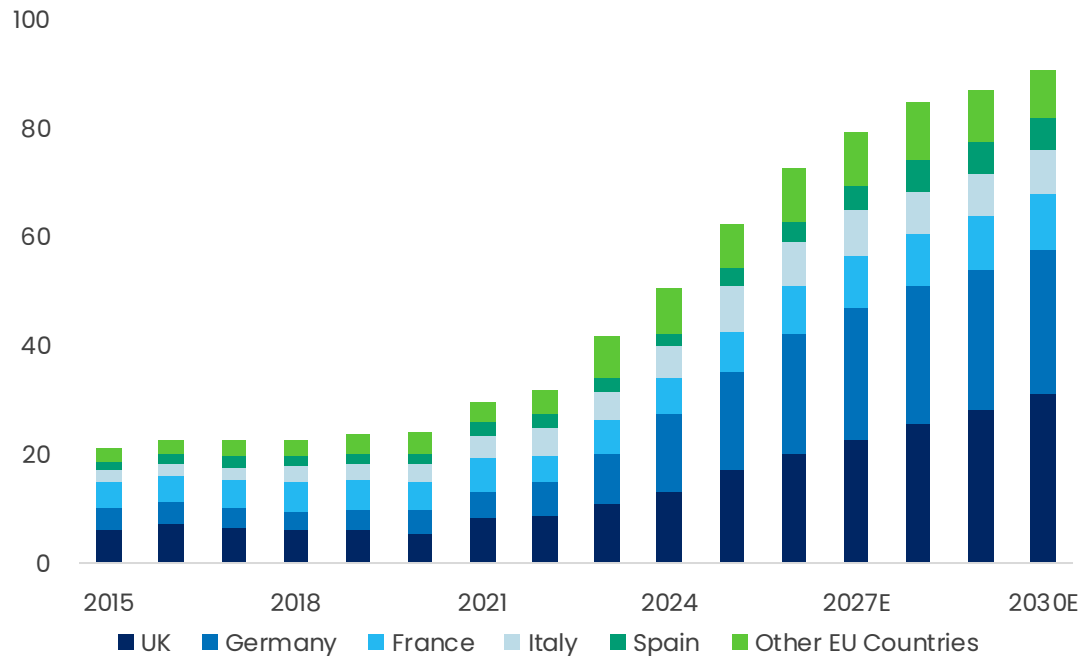
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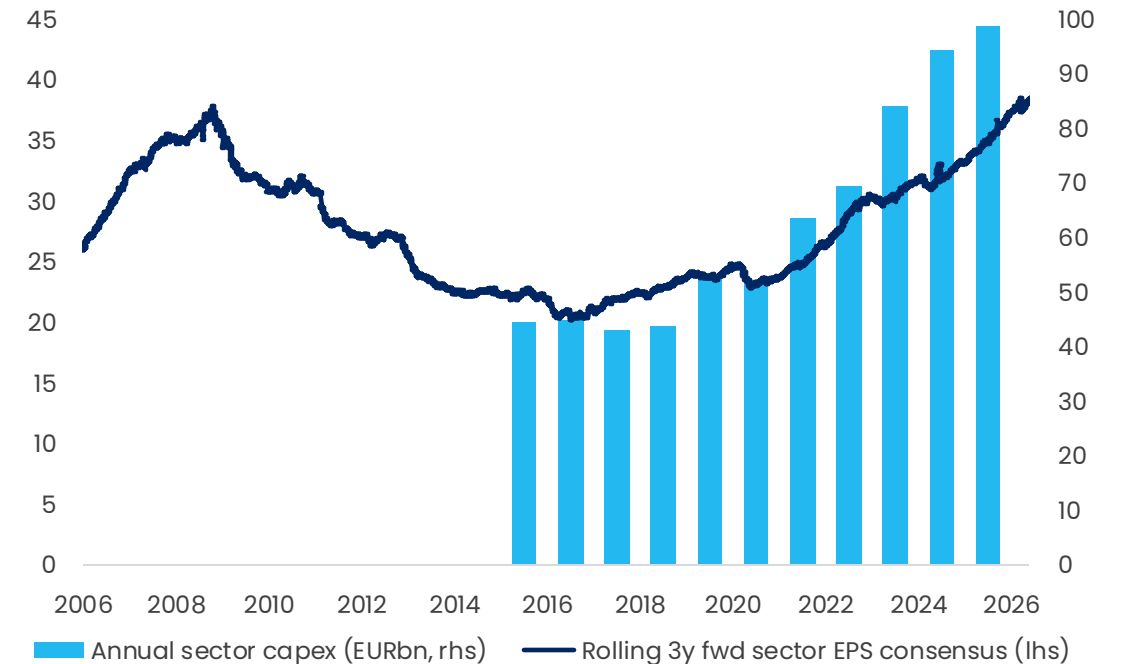
Equities.

Utilities – Electrification trend can only accelerate further

European electricity networks as only halfway through multi-decade acceleration in annual capex, €bn



Capex growth impact Earnings. War in Iran is only another wake-up call



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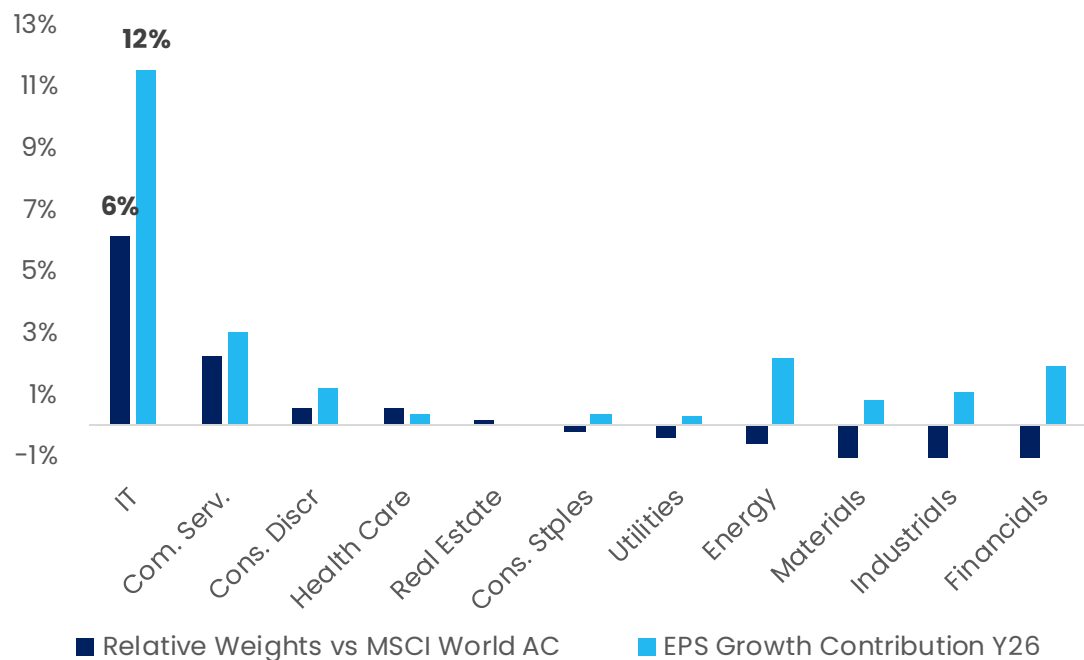
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Equities – US.

Regional preference set by our sector allocation

US are among the largest beneficiary of Tech, given the index weights and profit contribution



50% TMT weight and secular growth tailwinds are protecting US equities from Iran-related pressures



Past performance is no guarantee of future results.

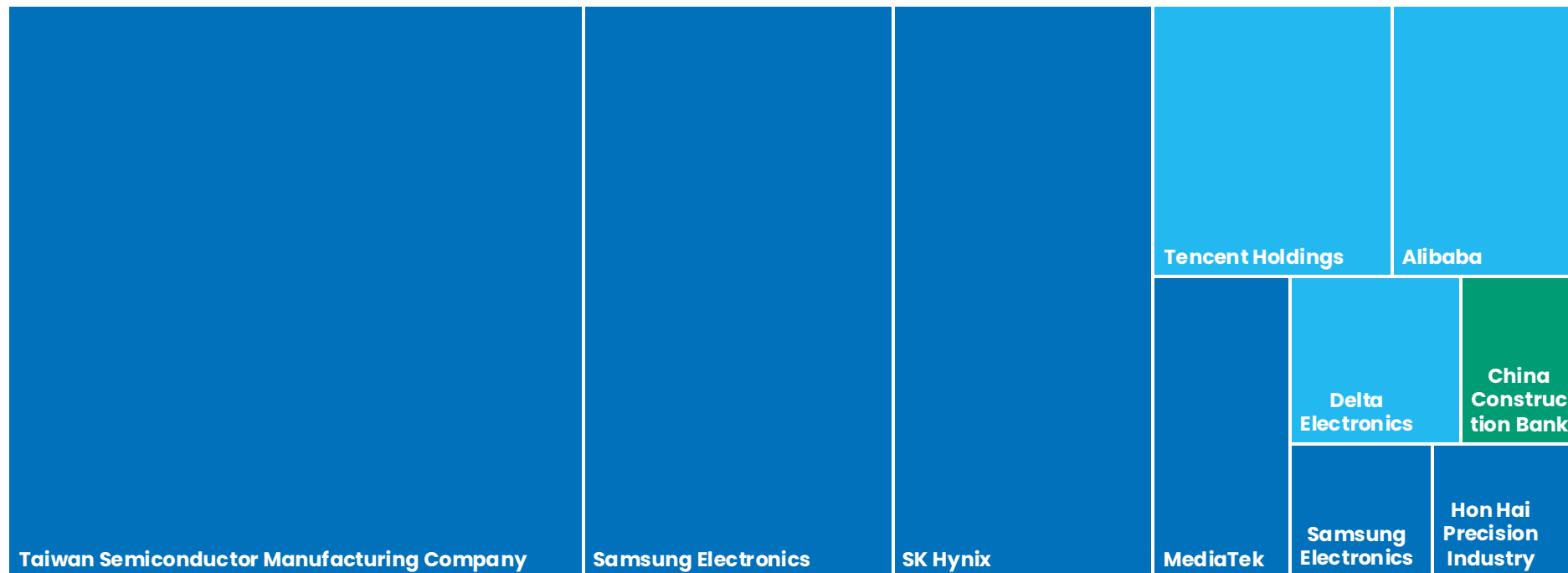
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Equities – Emerging.

Regional preference set by our sector allocation – Emerging Markets Tech

EM Preference: 9 out of 10 largest stocks of the MSCI EM are related to chip makers and Tech



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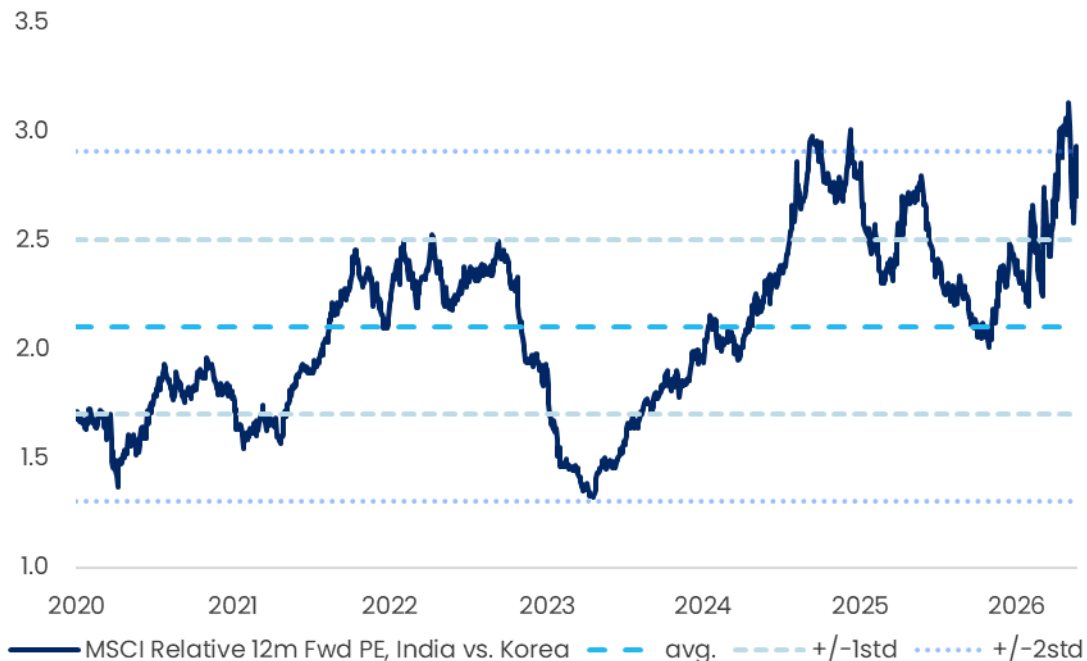
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Equities – Emerging.

Regional preference set by our preference for “hard” Tech and Commodities

The AI boom has created a significant headwind for the Indian equity market's relative attractiveness



Preference for Commodity-exporting Brazil over massive energy importer India



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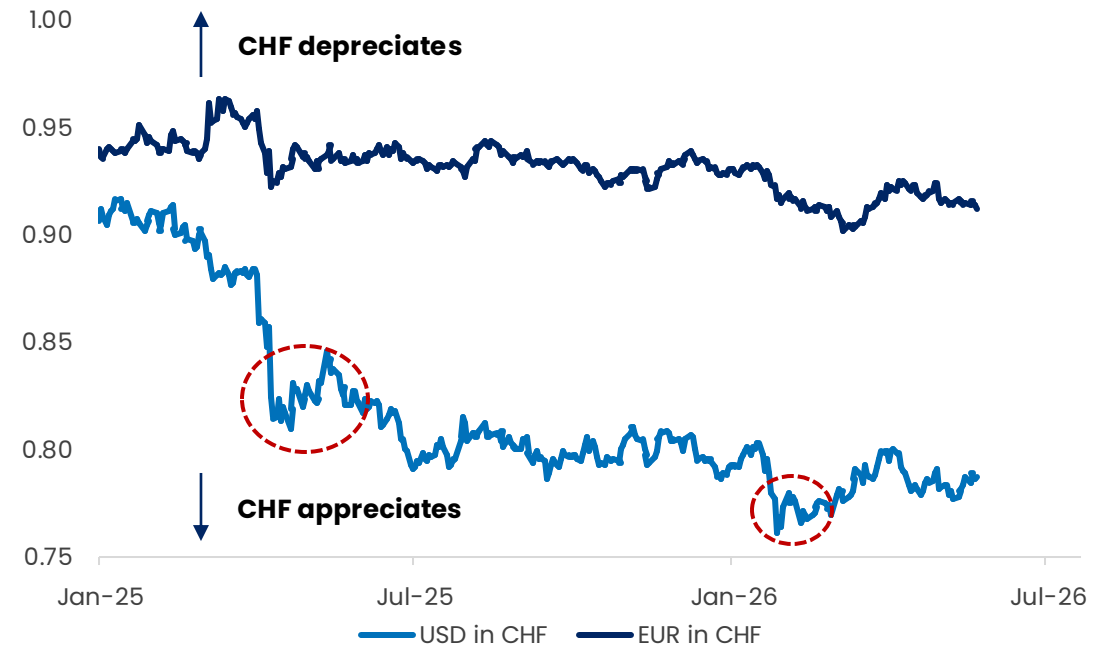
Swiss exceptionalism.

The energy shock: the impact on Switzerland is comparatively small

Inflation at the lower end of the target range should keep the SNB on hold



FX intervention is a "first line of defense"



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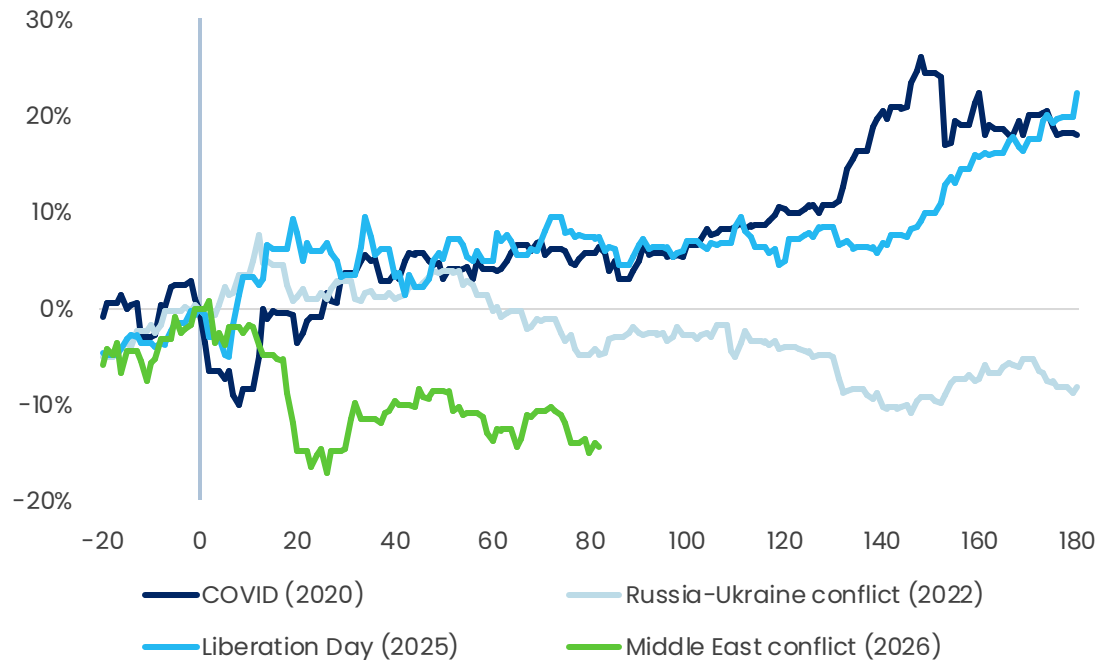
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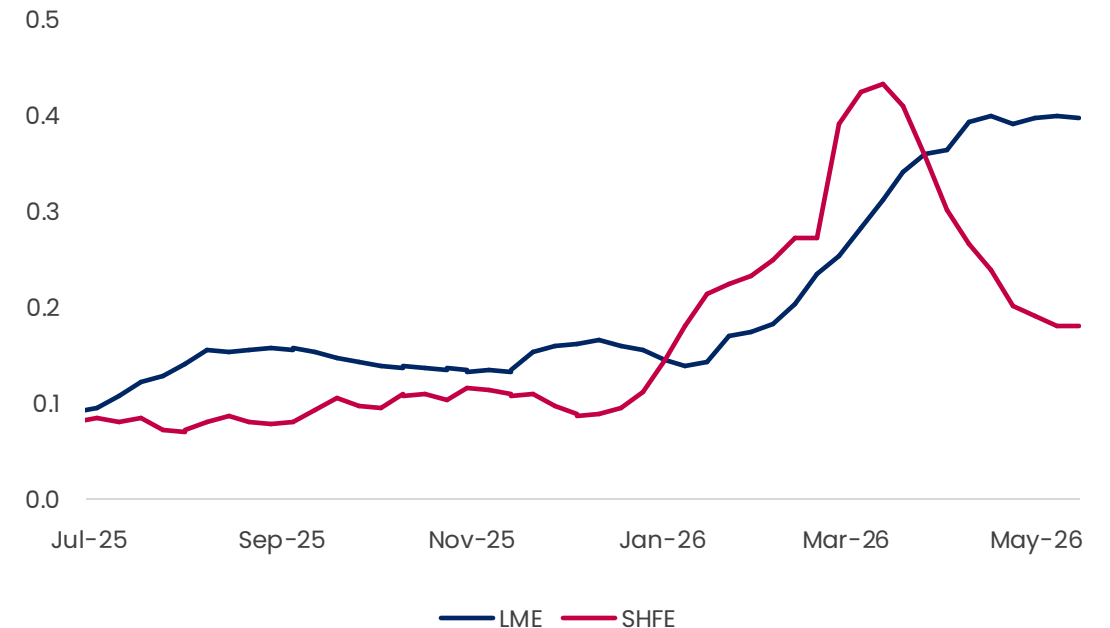
Commodities.

The most impacted by shortages – Autonomy & Security

Gold performance post risk events: Structural demand is there, but short-term correction ongoing



Industrials metals face heavy demand, Global Copper Exchange Inventories, millions of metric tons



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Source: Candriam, Bloomberg ©All rights reserved



FX.

Diversifying out of USD into commodity-related currencies and the JPY

	AUD	BRL	NOK	JPY
Carry (Rate Differential vs USD)	○ Neutral (0%)	● Strong (+10.1%)	○ Neutral (-0.1%)	● Negative (-3.2%)
Commodity Correlation	● Strong <i>Iron Ore: 0.36</i>	● Strongest <i>Oil: 0.48</i>	● Strong <i>Oil: 0.42</i>	○ None <i>Net importer</i>
1Y FX Performance	● +10.7%	● +13.7%	● +10.2%	● -14.3%
External Balance (CA % GDP)	● Deficit (-2.6%)	● Deficit (-2.9%)	● Surplus (+14.1%)	● Surplus (+4.9%)
Volatility / Risk	● Moderate (8.4% vol)	● Highest	● Lowest range	● Low (6.9% vol)
Real Rate (approx.)	○ 0.0%	● +10.0%	● +0.95%	● -0.9%
GDP Growth 2026E	● +2.0%	● +1.8%	● +1.5%	● +0.7%
	China-sensitive	Carry trade	Structurally sound	Contrarian hedge

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Key risks.

Recession

Oil Shock
Monetary policy hikes

Geopolitical fragmentation

Wars in Iran and Ukraine
Trade and supply chain shifts

FED credibility

New Fed chair
Divided FOMC
Political pressure on independence

Fiscal credibility

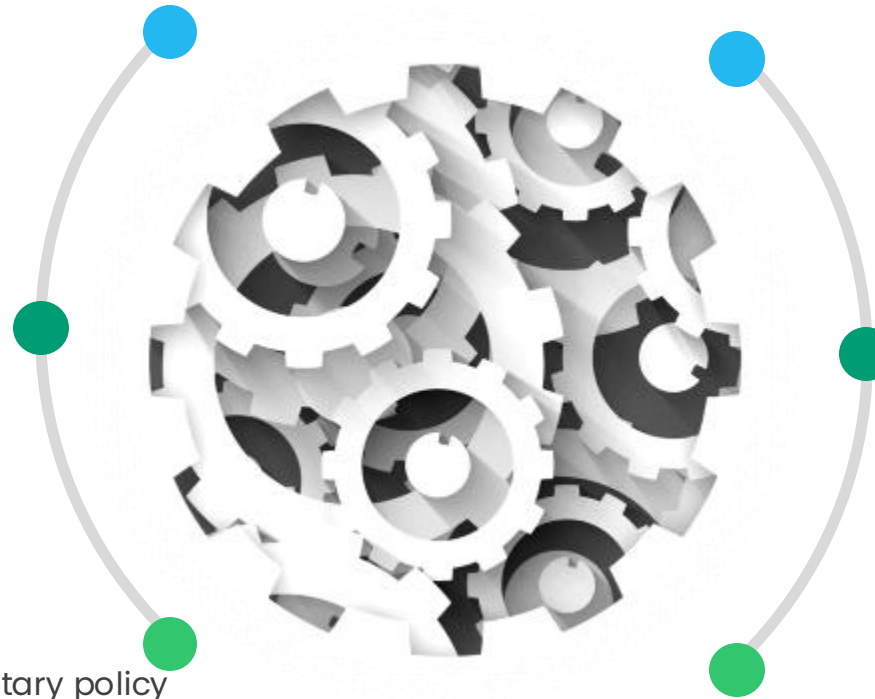
Massive sovereign issuance
Rising long-term yields

Inflation

Second round effect
Too accommodative monetary policy

Protectionist policy

Rising trade barriers
Global trade slowdown



Past performance is no guarantee of future results.

Source: Candriam



Multi Asset Grades.

Current grades

Equities

Global Equities	Current
Global Equities	0.5
United States	0.5
EMU	0
Europe ex-EMU	0
Japan	0
Emerging Markets	0.5

Fixed Income

Bonds	Current
Bonds	0
Europe	0.5
Core Europe	0.5
Peripheral Europe	0
Europe Investment Grade	0
Europe High Yield	0
United States	0
United States	0
United States IG	0
United States HY	-0.5
Emerging Markets Debt	0.5
Government Debt HC	0
Government Debt LC	0.5

Currencies

Currencies	Current
Currencies	0
EUR	0
USD	-1
GBP	0
AUD/CAD/NOK	0 *
JPY	1

* We have a slight long position on AUD and the NOK





4 Conclusion.



The Path into H2 2026 Opportunities.

GOV. BONDS AND FX

- Neutral overall duration
- Positive on core-EU, AAA duration
- Long AUD, NOK and BRL
- Long HUF
- Short USD

CREDIT

- Preference for credit IG over High Yield
- Preference for Europe vs. US
- Positive Emerging Debt

EQUITIES

- Positive equities
- Positive view on long-term thematics:
 - Technology, driven by AI & selective Software
 - Powering AI (Industrials & Utilities)
- Regional convictions implied by thematics
 - Positive US
 - Positive Emerging markets

ALTERNATIVES

- **Commodities:**
 - Positive on precious and strategic metals
- **Positive on alternatives and market neutral** strategies for portfolio stability and diversification

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Past performance is no guarantee of future results.





Thank you for your attention.

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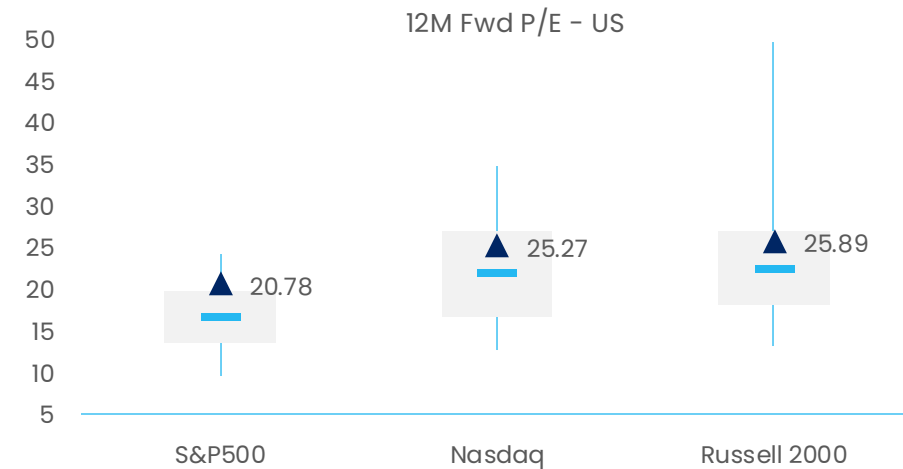
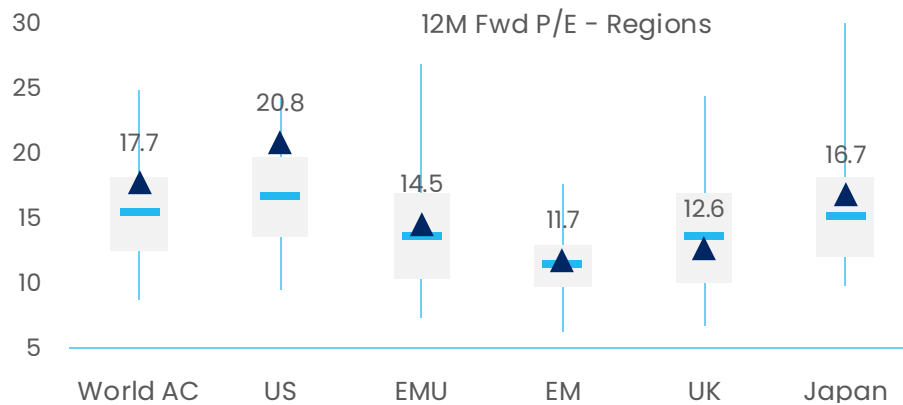


5 Appendix.

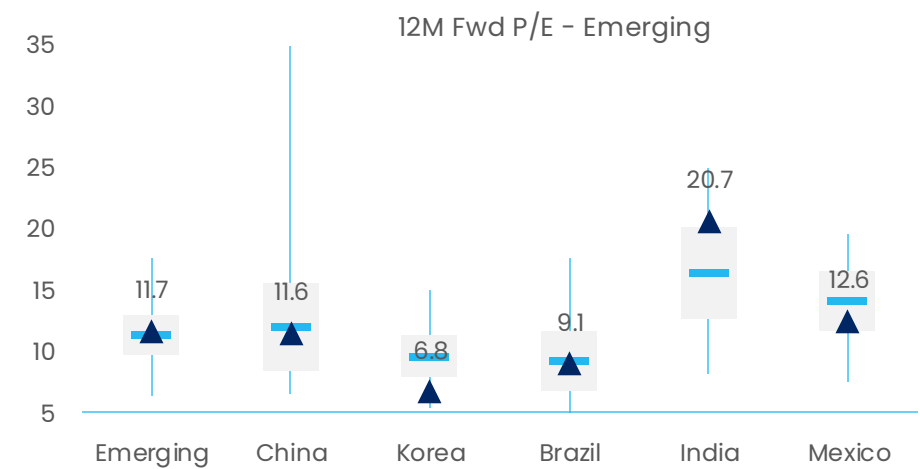
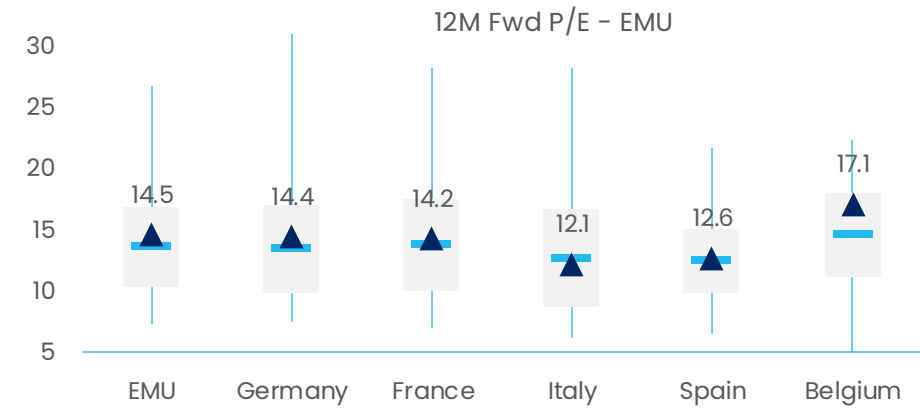


Equities.

Valuation



Max 20Y
+1Stdev
Average
Current PE
-1Stdev
Min 20Y



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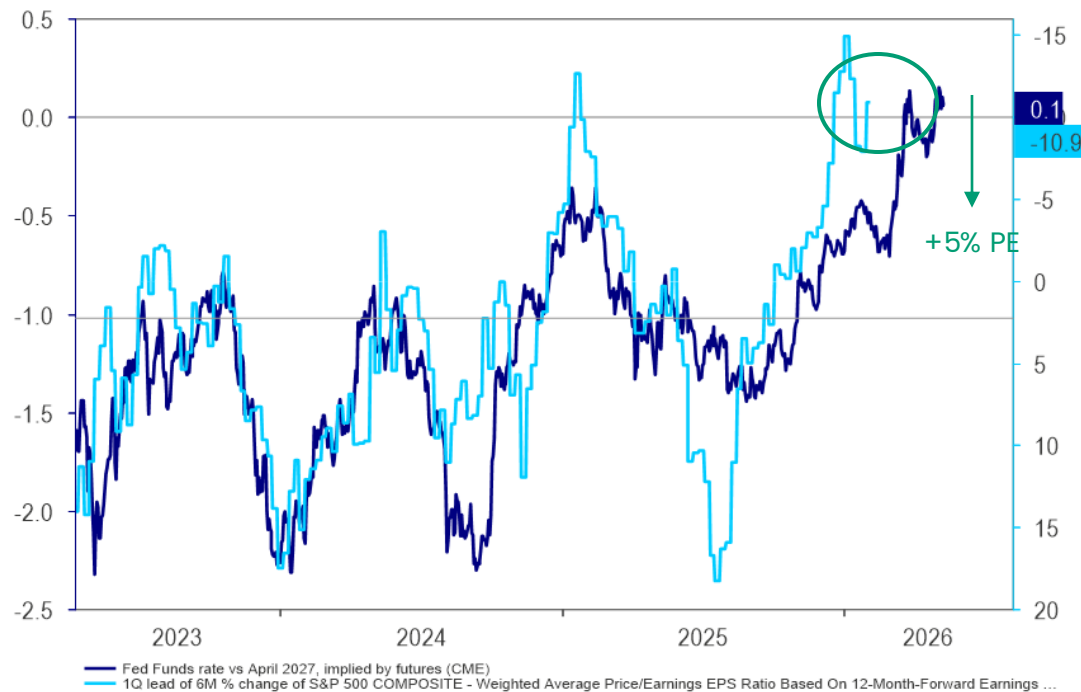
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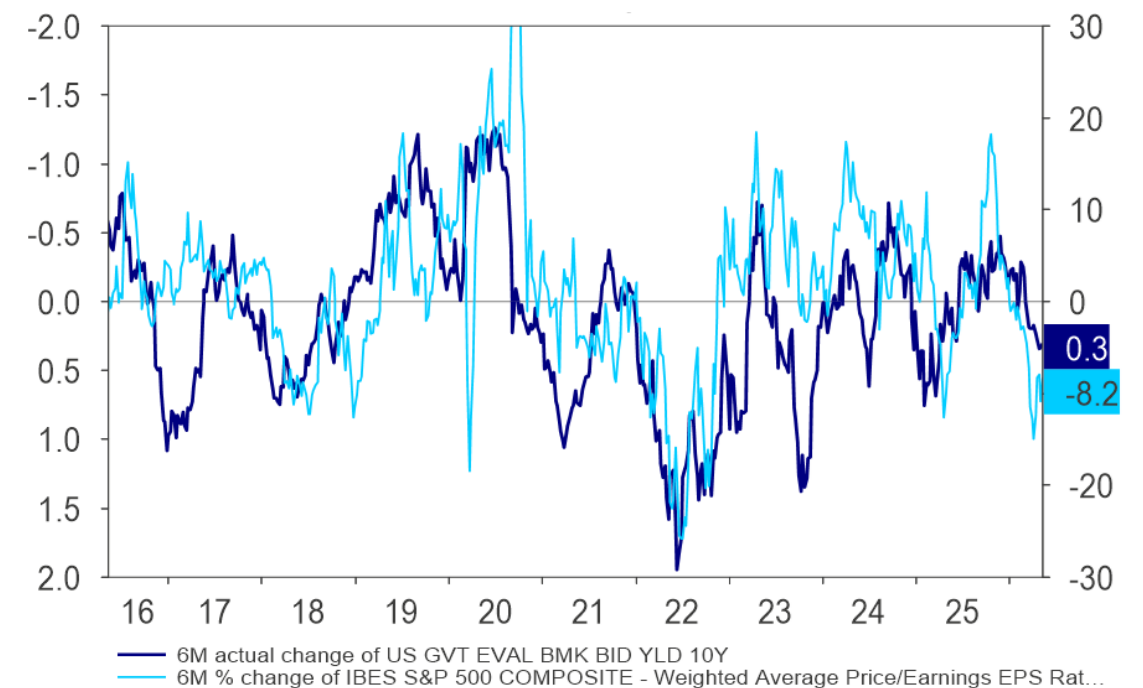
Equities.

Valuation – Some potential support ahead

Valuation in line with no Fed cuts by April 2027



Higher Treasury yields are priced in, 6m change in US 10y yields vs S&P500 12m fwd PE



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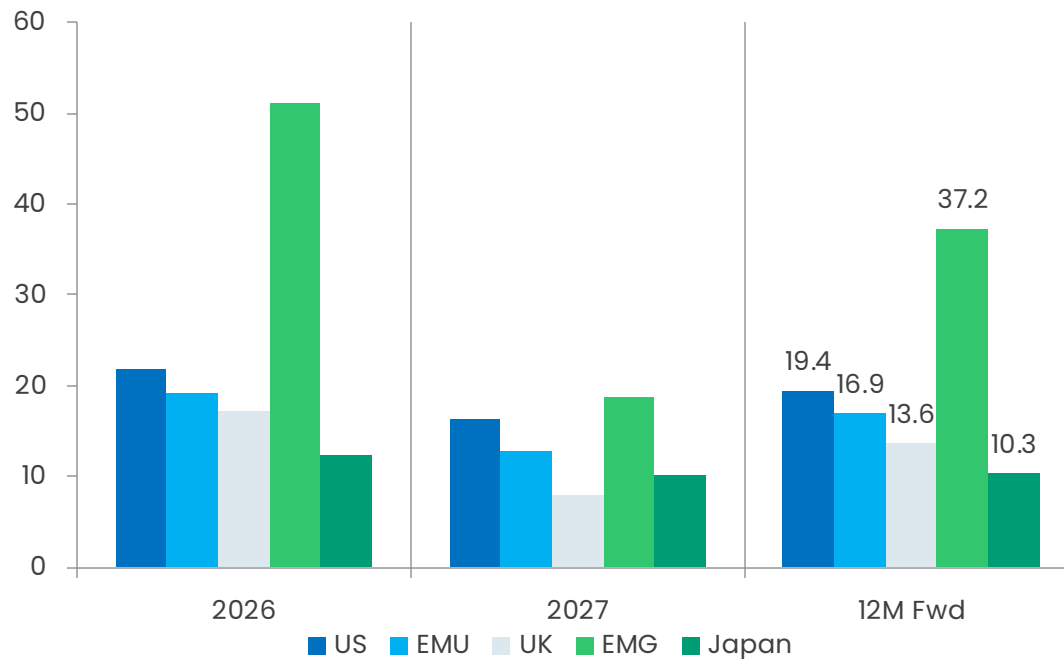
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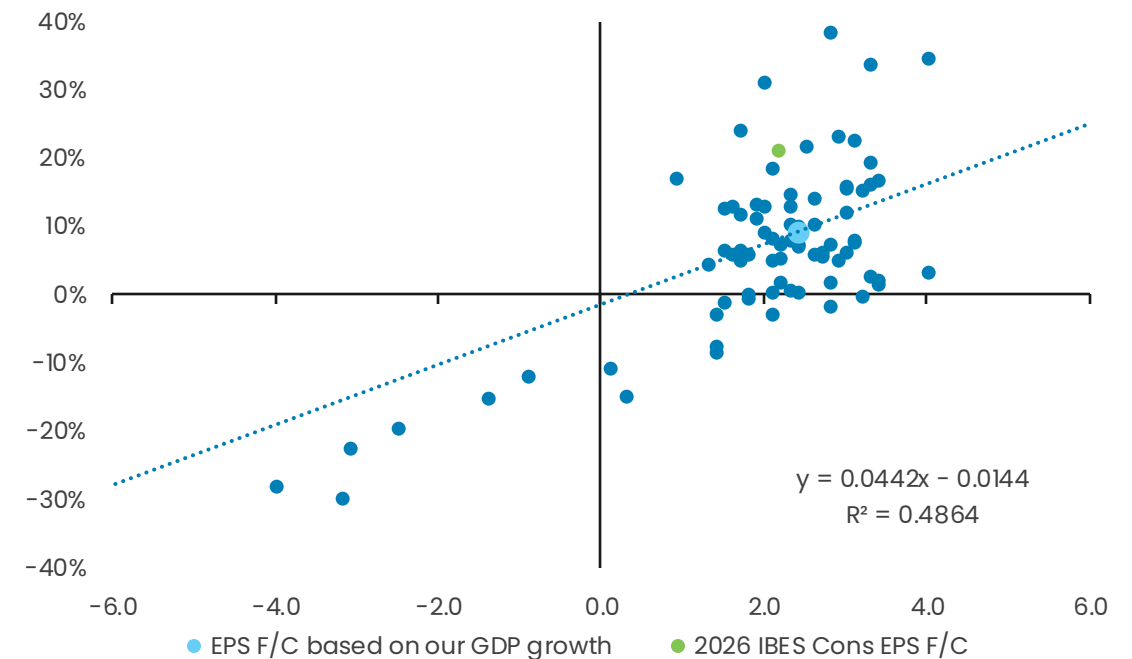
Equities.

Assessing EPS growth for 2026

EPS growth expectations per zone
2025/2026/12M fwd (%)



US GDP Growth projections lead us to high single digit
Earnings Per Share in Y26



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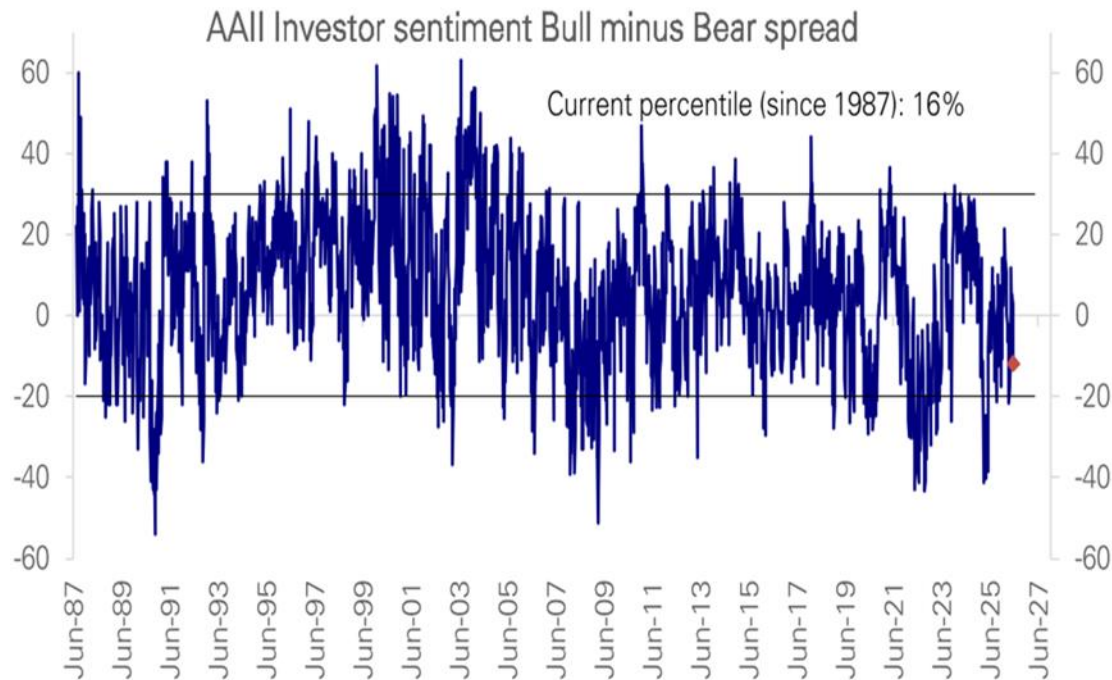
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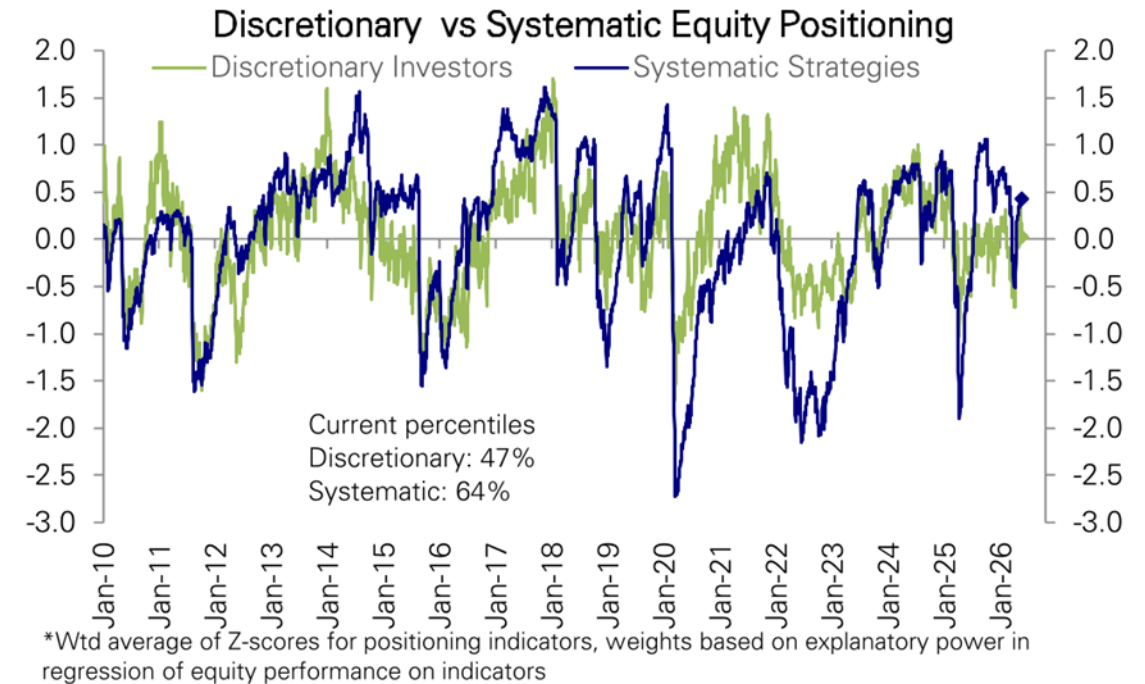
Equities.

Sentiment and positioning back to positive territory

AAll Bull/Bear Sentiment only at neutral level



Aggregate equity positioning is modestly overweight



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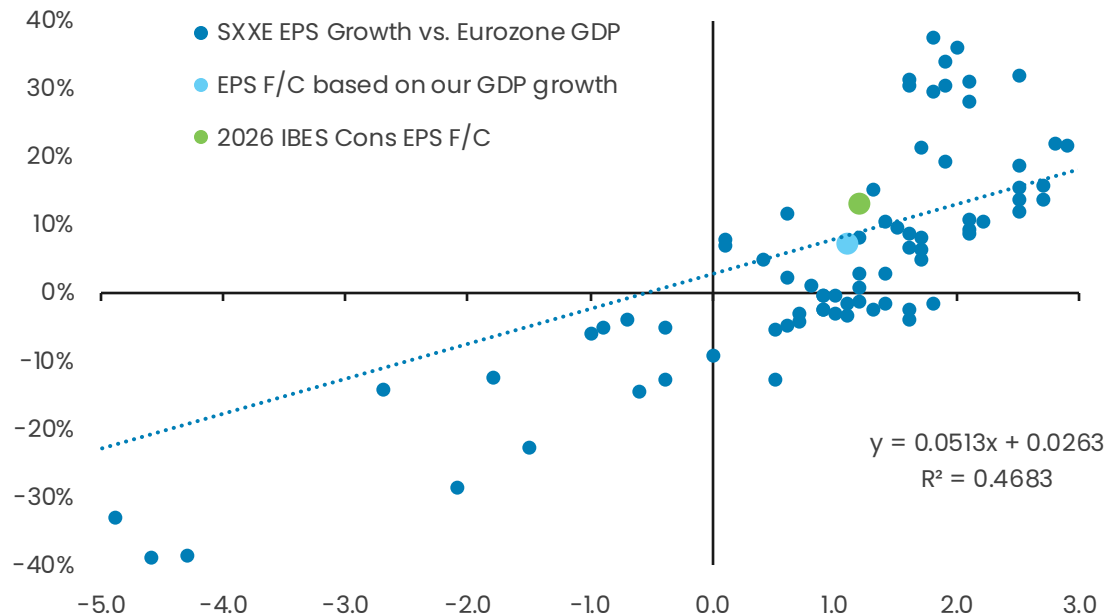
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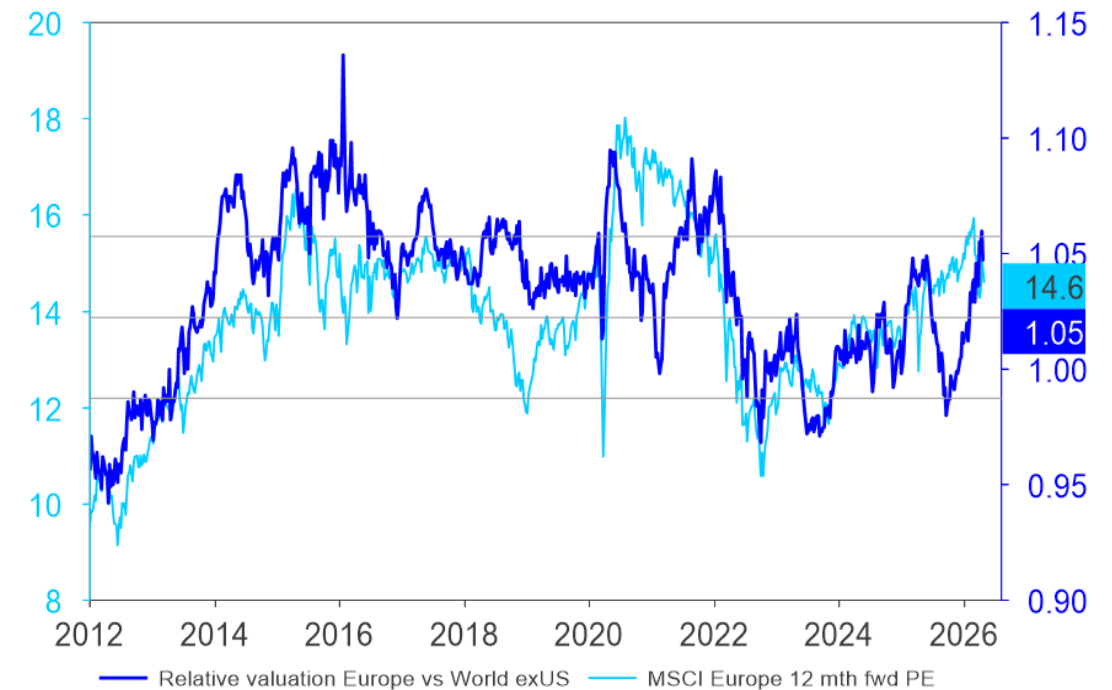
European Equities.

EPS vs P/E

Negative EPS growth at -2% for 2025 leaves room for favorable comparable in 2026 (currently +14%)



MSCI Europe absolute valuation back to historical average, 12m fwd PE



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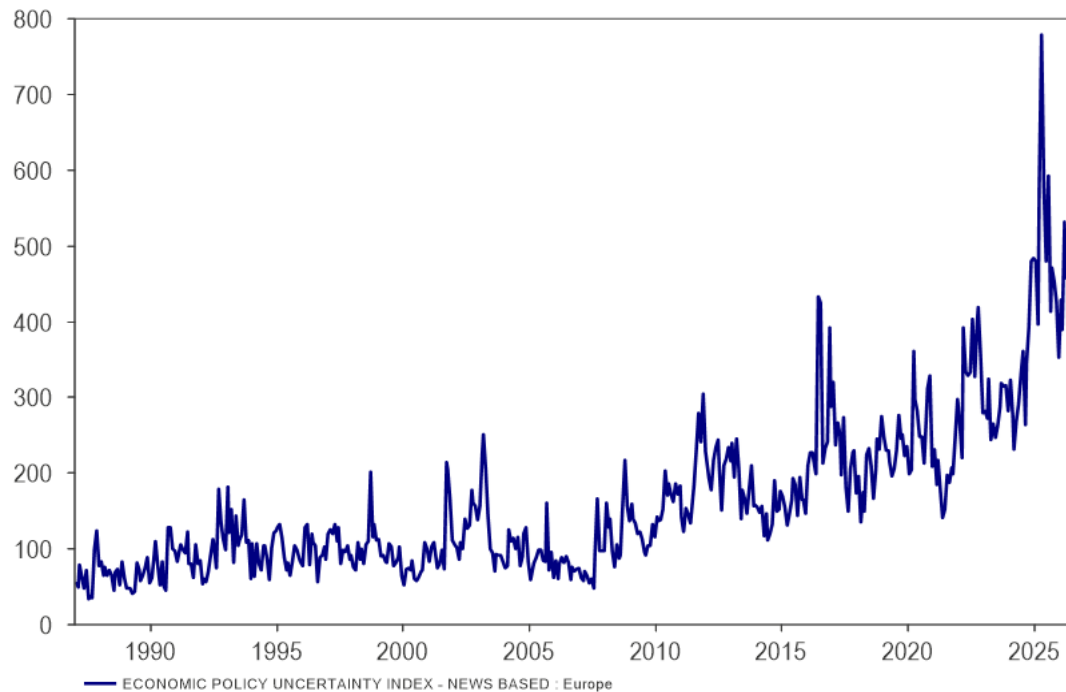
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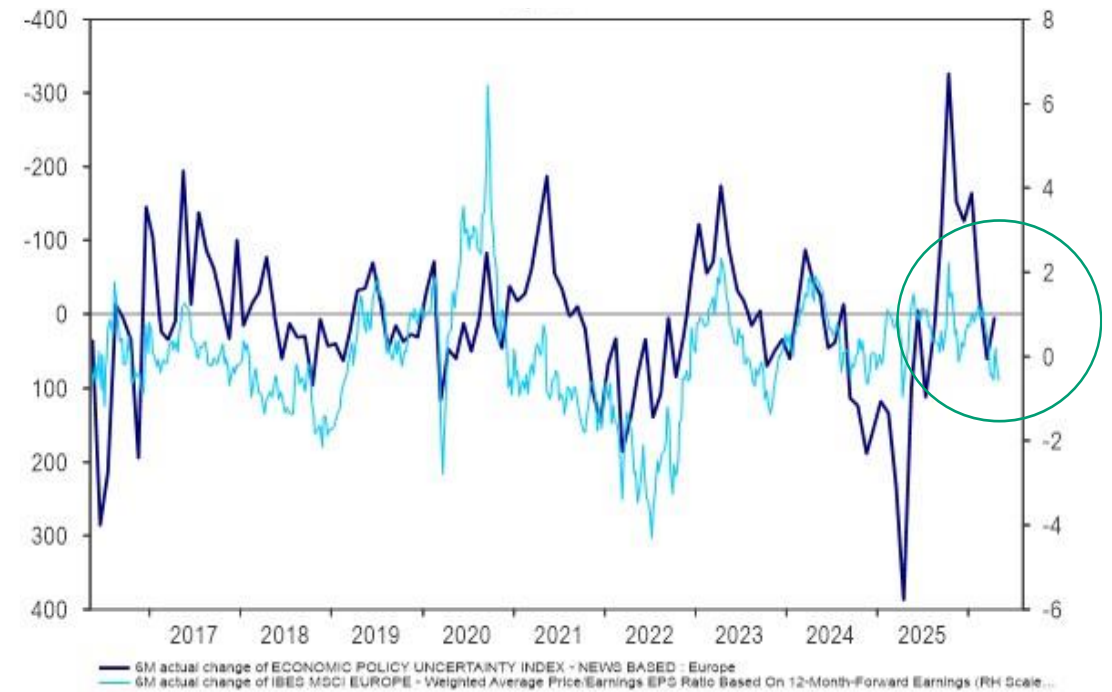
European Equities.

Uncertainty back – A trigger for valuation

Economic uncertainty has been increasing after months of relief: what's next is crucial



Economic uncertainty is dragging valuation down



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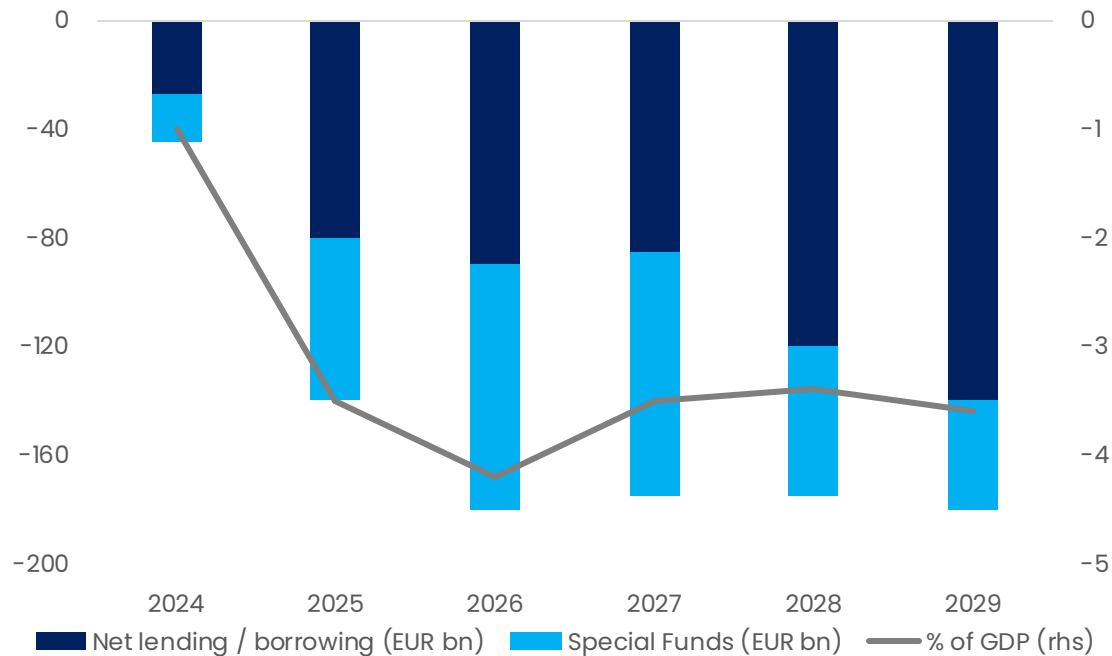
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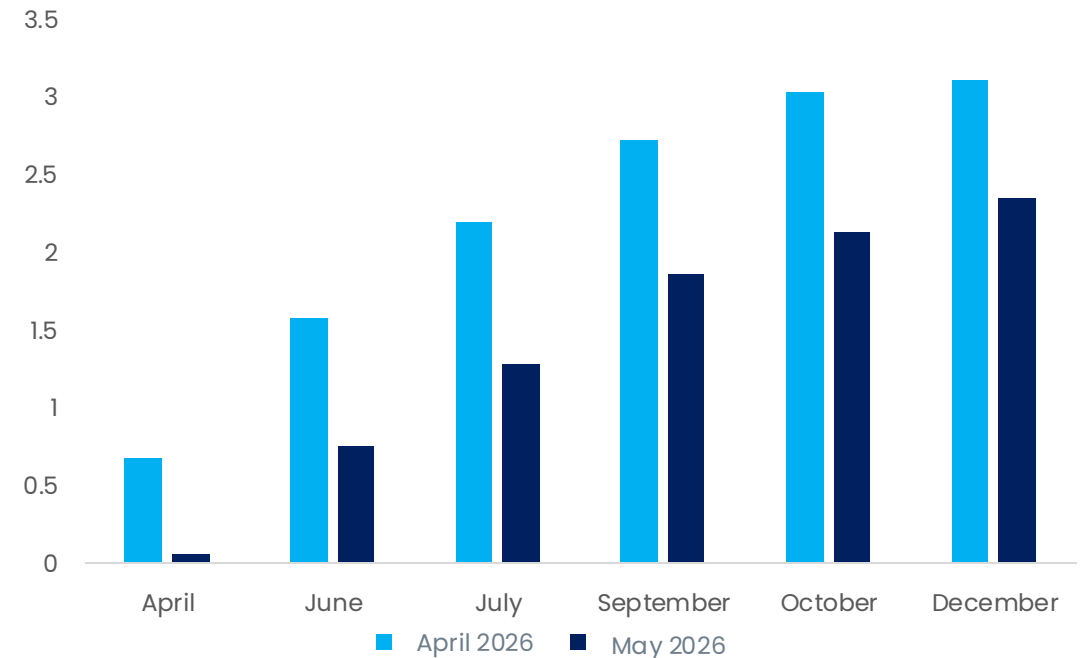
European Equities.

Monetary and Fiscal supports

Germany's fiscal stimulus is starting, and once it shows up in the data, should benefit to European economy



Current number of ECB expected hikes do not provide any support to the Euro area activity



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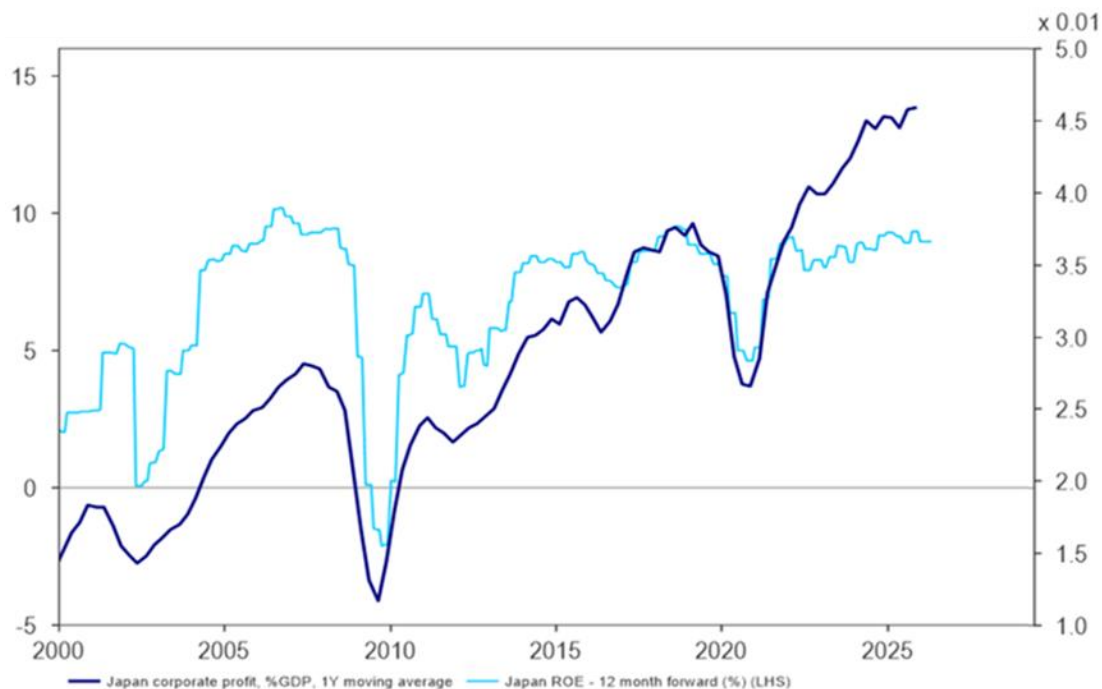
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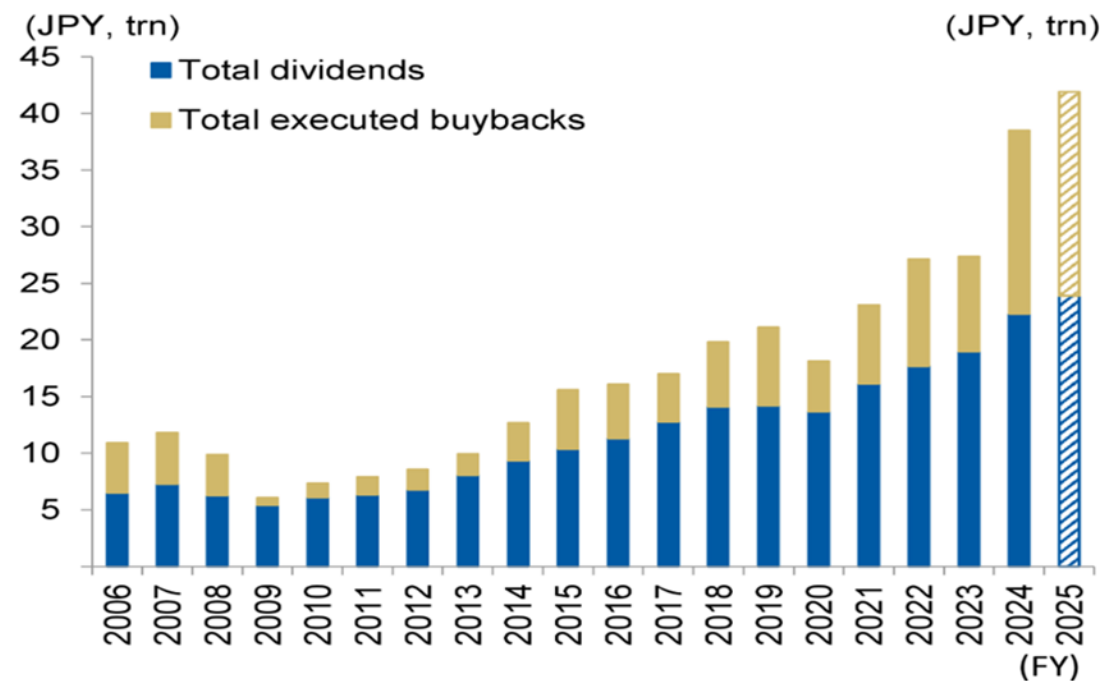
Japan Equities.

A cyclical play enjoying structural changes

Inflation and corporate reforms are positive catalysts for the country, Corporate Profit Margin and ROE, %



...leading to higher ROE, more board independence and stronger buybacks increasing at a rapid pace.



Past performance is no guarantee of future results

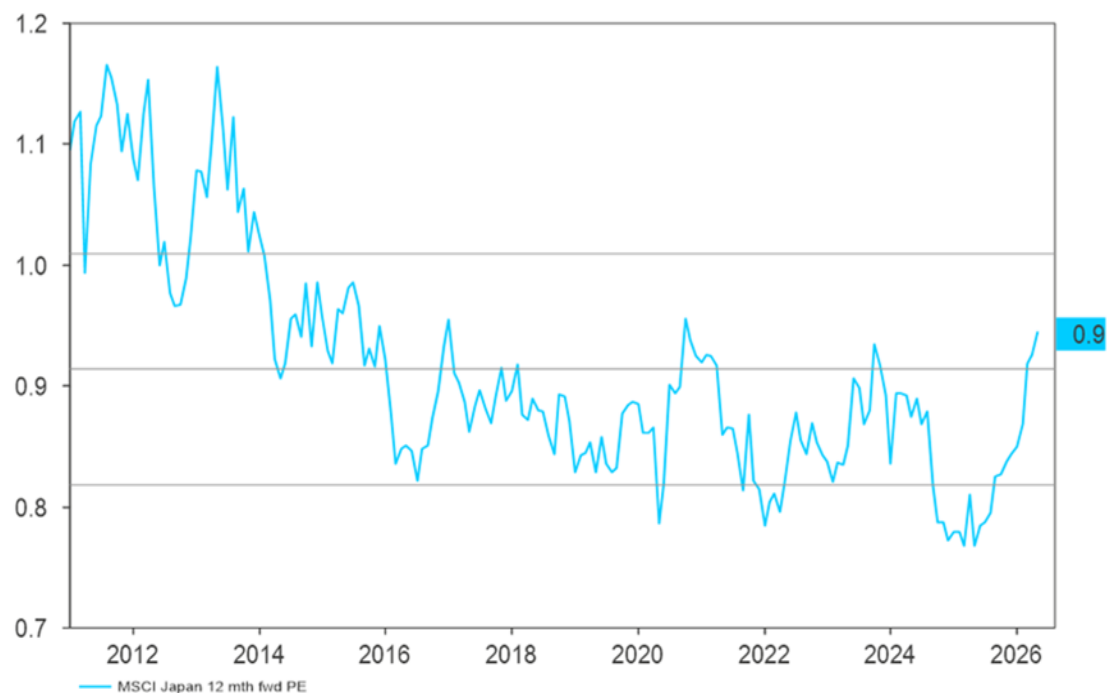
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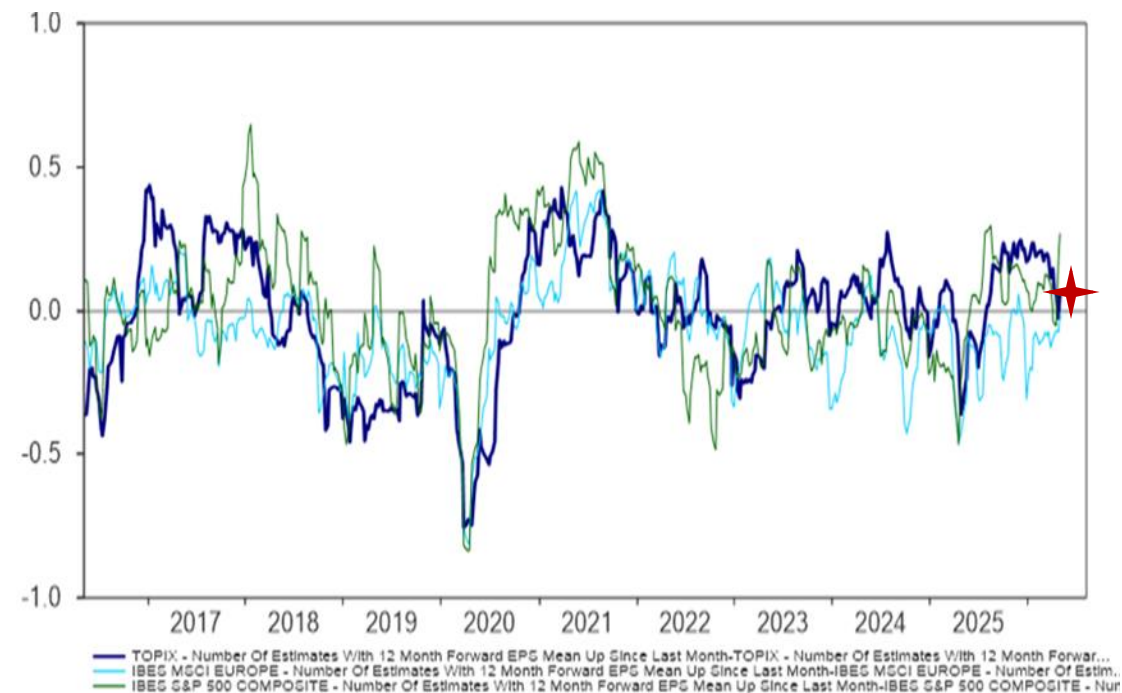
Japan Equities.

Cheap valuation & strong EPS momentum

The region still trades relatively cheap, relative forward valuation vs. MSCI World AC



EPS revisions momentum: not the leader for the first time in months



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Japan Equities.

PM Takaichi has room to implement its policy: “responsible, proactive fiscal policy”

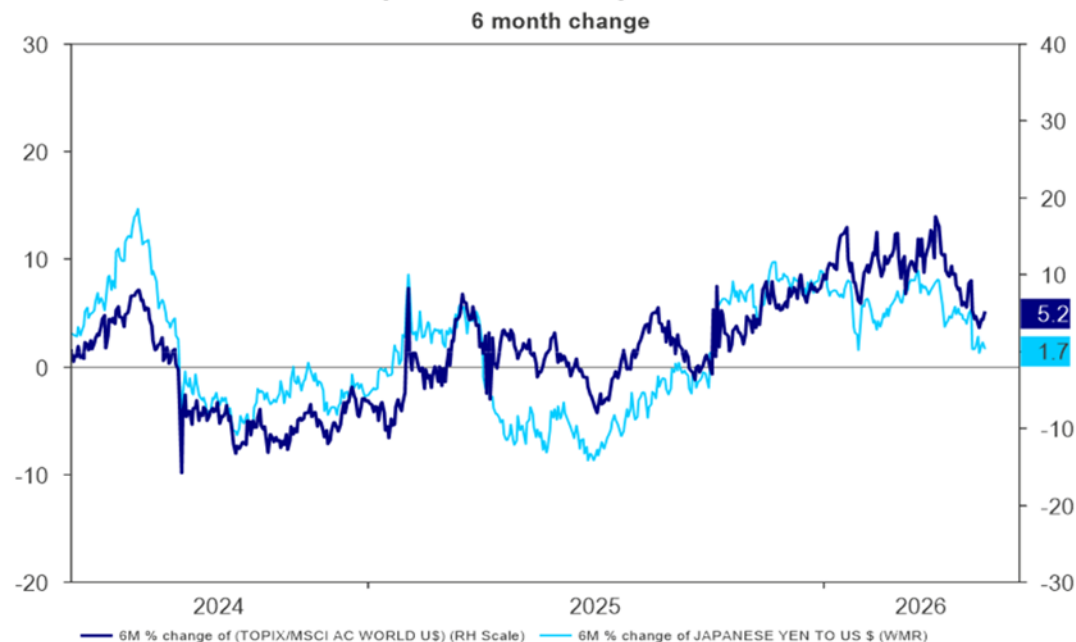
Usually, a positive catalyst for Japanese equities and mainly when the PM gets a clear mandate

JPY weakness a bonus even if recent performances have been less correlated to equities

Relative performance Topix vs MXWD 3m prior & after general elections

		3 month before		3 month after	
		Relative -3m - Topix vs MXWD		Relative +3m - Topix vs MXWD	
		-3m		+3m	
	1990	0%	-2%	-13%	-8%
	1993	6%	3%	0%	-7%
	1996	0%	-7%	-15%	-18%
	2000	-6%	0%	-4%	0%
	2003	11%	2%	-1%	-12%
Koizumi	2005	14%	7%	23%	20%
	2009	6%	-3%	-13%	-20%
Abenomics	2012	7%	6%	27%	21%
	2014	5%	11%	13%	8%
	2017	8%	4%	8%	-1%
	2021	5%	2%	-7%	-3%
Average		5%	2%	2%	-2%
Median		6%	2%	-1%	-3%

Relative performance Topix/World vs Yen



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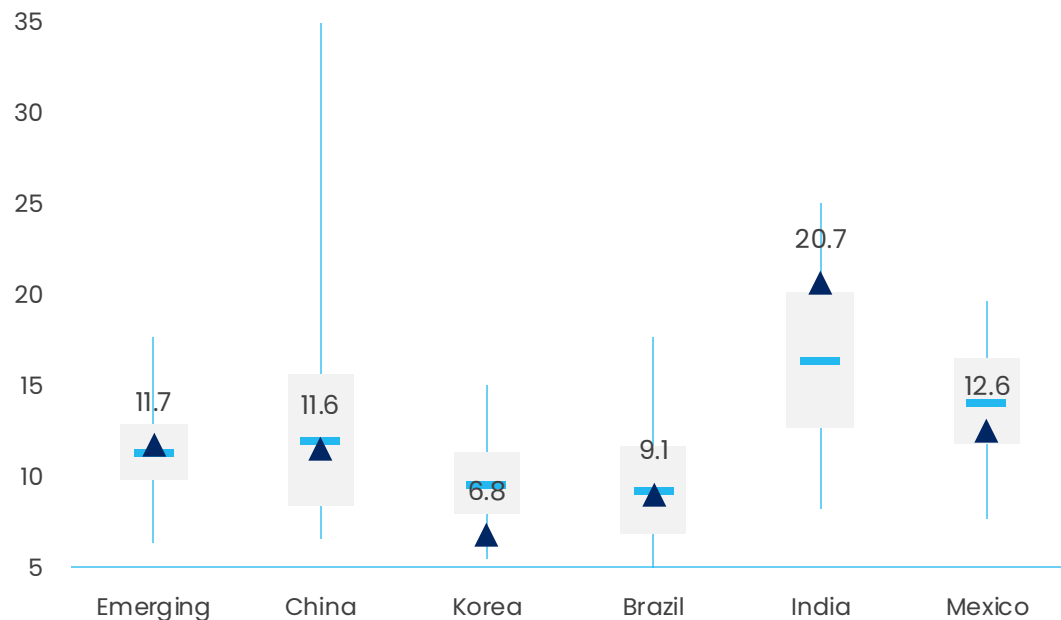
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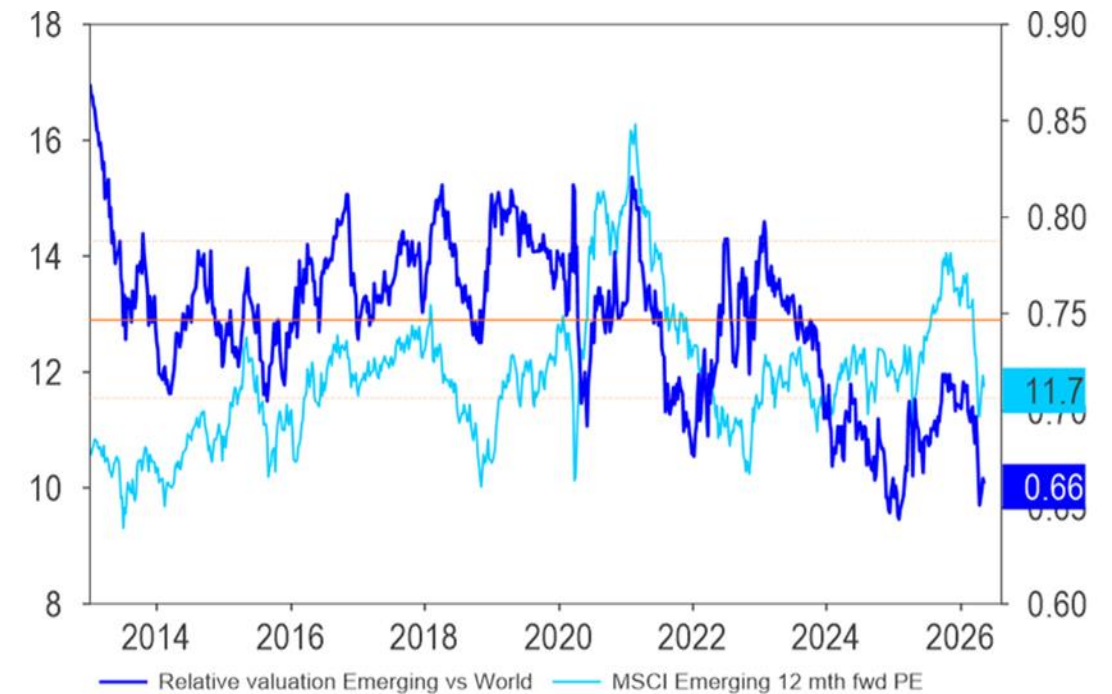
Emerging Equities.

Valuation still attractive

Among Emerging Markets, only India still looks expensive, 12m fwd PE



EM has a 33% discount relative to the MSCI World index



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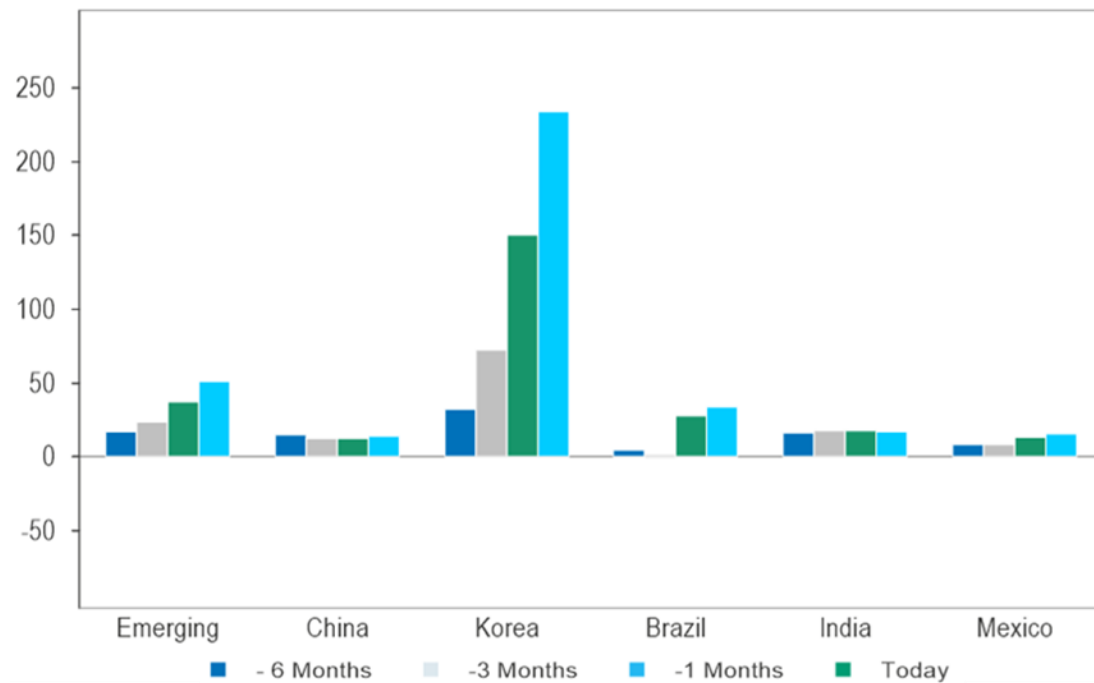
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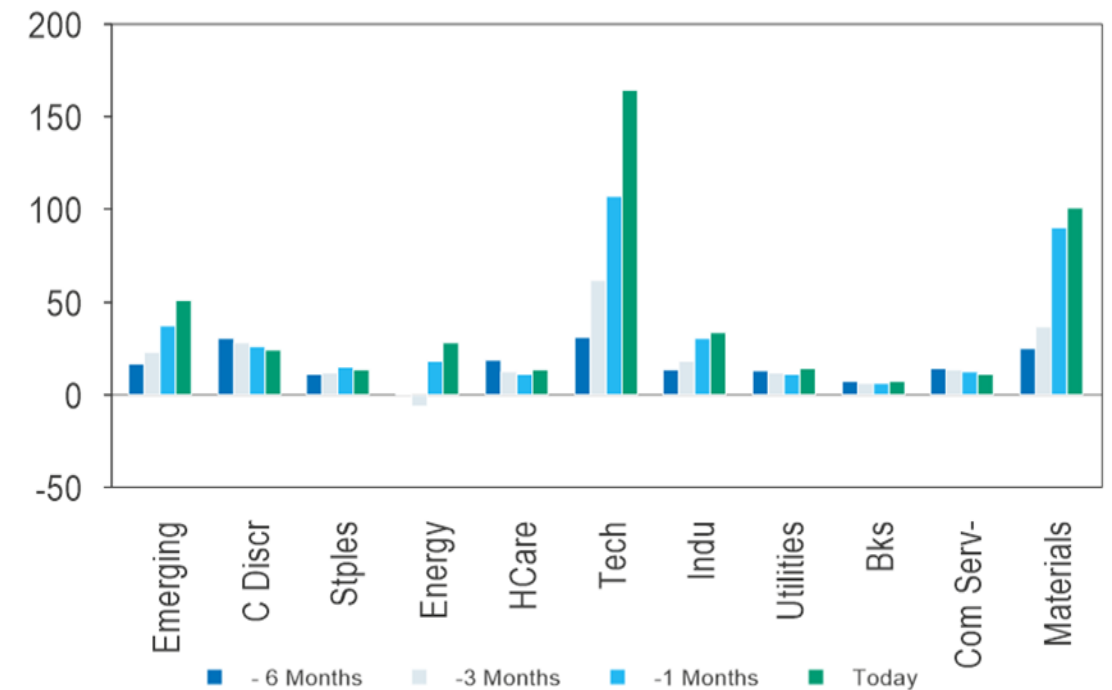
Emerging Equities.

EPS Growth: Accelerating – Korea and Brazil

2026 EPS growth accelerating (Korea but also Brazil)



EPS growth evolution mainly led by Tech



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Emerging Equities.

Emerging enjoying strong thematic to play

Themes	Implementation Ideas						
	China	Korea	Taiwan	India	MENA	EM Europe, S. Africa	LatAm
Artificial Intelligence (AI)	AI Applications, Data Center, Physical AI, Chips	AI Infrastructure (Servers, Semiconductors, Equipment/ Components, etc.)			AI Investments, Data Centres (UAE, Saudi Arabia)		
Economic Security / Self-Sufficiency / Defense	Little Giants	Power & Electricity / Energy / Security			Socioeconomic Reforms (Saudi Arabia)	Europe Defense Spending Beneficiaries (CEE-3)	
		Shipbuilding, Nuclear, Factory Automation, Aerospace & Defense		India Defense			
Corporate Governance / Value Up / Cash Return	Shareholders Return (Dividend, Buyback, Management Incentives)	Corporate Governance Improvements by Holdcos			Capital Markets Reforms (UAE, Saudi Arabia), Potential FOL Easing (Saudi Arabia), High Dividend Stocks (UAE)		
		Low P/B (with High Cash-to-Cap or High Treasury Shares)					
		Dividend Tax Reform					
Domestic Demand	Anti-Involution			Mass Consumption	Mobility, Tourism, Real Estate (UAE)	Domestic Sector Recovery (South Africa)	
Macro Policy						Monetary Easing and Rate Sensitive Stocks (Brazil, South Africa)	
Others	Going Global Leaders, POEs - Prominent 10	Consumer Themes (e.g. Korean Culture – K-pop, Cosmetics)	Apple Supply Chain	New Economy / Digitalization of Consumption & Services		Gold Miners (South Africa)	U.S. Nearshoring (Mexico)

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